

TRADE UNION PRIORITIES FOR 7TH WTO MC – 30 November 2009

- 1. Impact of the crisis** - additional bilateral or multilateral liberalisation that would further worsen the level of unemployment should not be pursued. Rather than rush to conclude negotiations precipitately, the Doha Round like all areas of public policy must now be reassessed in the light of what contribution it would make to tackling the jobs crisis. Now is the time firstly to take stock of whether the Doha Agenda set in 2001 corresponds to that imperative, on which basis the future of negotiations in the Round should be judged. This requires an in-depth ex-ante evaluation of the impact of the Round on the level and quality of employment and its impact on development. Furthermore all countries need the policy space to implement adequate long-term industrial policies, as well as expansion of public services for crisis recovery, in which context it is important that GATS discussions not open up government procurement which is an essential part of many stimulus packages.
- 2. NAMA** – it is essential that developing countries' already excessive concessions on liberalisation commitments not be further compromised through any obligation to participate in mandatory sectoral negotiations that would result in a complete or substantial elimination of tariffs in the sectors targeted, which would go contrary to the decision in Hong Kong that any such participation be entirely voluntary. Similarly, there should be no anti-concentration clause that would prevent developing countries from using the flexibilities they negotiate in NAMA to shield most or all of a sector from tariff reductions. Special treatment is required for developing countries that will face specific problems under the deal, particularly South Africa in light of their earlier large-scale tariff reductions as well as Argentina and Venezuela. Developing countries' coefficients and flexibilities must be increased substantially to preserve adequate policy space to enable future industrial development.
- 3. GATS** – in light of the inadequate regulation that is overwhelmingly agreed to have precipitated the global financial crisis, a moratorium is needed on financial sector liberalisation particularly in order to prevent WTO member countries from being intimidated into not increasing their current levels of financial market regulation. Countries should be able to denounce any existing commitments for financial sector liberalisation without compensation. Furthermore domestic regulation in general must not be put under threat by the GATS, necessitating the deletion or revision of GATS Article VI.4 in order to protect effectively the ability of governments to enact domestic regulatory measures. An effective emergency safeguard mechanism is needed in the area of services.
- 4. Article XXIV** – the existing GATT article on regional trade agreements was drafted at a time when regional agreements like the European Coal and Steel Community were between countries at a similar level of development, and urgently needs updating in order to remove the clause that insists on reciprocal levels of trade liberalisation even when regional integration takes place between countries or regions at differing levels of development.
- 5. The WTO in the multilateral system** – the economic crisis has shown the need for all partners in the multilateral system to pull together in order to achieve recovery, and the ILO in particular has been recognised as the agency provides governments policy guidance, including through its standards, on employment, social protection, social dialogue and fundamental rights at work. Now is the time for the WTO to catch up with the other parts of the multilateral system and recognise its need to invite the ILO to take full part in its working groups, negotiating groups and committee structures, and for development based on the decent work agenda including core labour standards to be mainstreamed in all WTO programmes and negotiations.
- 6. Updating the work of the WTO** – the trade policy review mechanism (TPRM), which is coming under particular focus this week, badly needs updating in order to incorporate attention to the impact of trade on sustainable development, as defined by the WSSD (Johannesburg 2002) as consisting of three interrelated economic, social and environmental pillars including respect for core labour standards. Secondly, prospective WTO accession countries should not be subject to a wide range of untransparent bilateral negotiations nor required to make commitments that are not in line with their development levels and reduce policy space.