

INTERNATIONAL CONFEDERATION OF FREE TRADE UNIONS (ICFTU)
ICFTU STATEMENT¹ ON
THE AGENDA FOR THE 4TH MINISTERIAL CONFERENCE
OF THE WORLD TRADE ORGANISATION (WTO)
(Qatar, 9-13 November 2001)

Introduction

1. The collapse of the third WTO Ministerial Conference in Seattle in 1999 was a watershed in the short lifetime of the WTO, marking a crisis in the legitimacy of the multilateral trading system. Little of substance has changed since then to indicate that any of the underlying reasons for the failure of the 3rd WTO Conference have changed. Governments and their trade negotiators must heed the lessons of Seattle if they are to regain public confidence in the multilateral trading system. As part of that process, a full assessment of the economic, social, labour, gender, environmental and developmental impact of previous WTO negotiations and the potential impact of any further negotiations is needed. This ICFTU statement draws on the experience of Seattle and elsewhere to propose a reorientation of the multilateral trading system to promote sustainable world economic growth and development, thereby creating decent jobs and a broader spread of the benefits of globalisation in the interests of all people in both developing and industrialised countries.

Supporting Development Priorities

2. A major effort is needed to boost the development of developing countries, in every area of the multilateral system. This must include:
- Greatly enhanced debt relief and a substantial increase in development assistance (combined with greater effectiveness of such assistance) for developing countries that respect human rights, including fundamental workers' rights;
 - Making more operational the WTO provisions for special and differential treatment to enable developing countries to have increased flexibility, to ensure they have the liberty to take tariff-freezing, tariff-raising or import-limiting measures when necessary;
 - further moves to provide improved market access for developing countries (addressing tariff peaks and tariff escalation in their areas of interest), particularly for least developed countries;
 - assisting developing countries to withstand business pressures to introduce patent laws that preclude socially responsible actions under the TRIPS intellectual property agreement, and review of the TRIPS agreement to incorporate developing country concerns, particularly in the area of access to life-saving drugs as with HIV/AIDS medication, protection of traditional knowledge, the patenting of life-forms and the relationship between the TRIPS Agreement and the Convention on Biological Diversity;

¹ The International Confederation of Free Trade Unions represents unions in 148 countries with a total of 156 million members. See our Web-site for further information (<http://www.icftu.org>). The ICFTU works closely with the International Trade Secretariats (ITS), representing workers in different sectors, and with the Trade Union Advisory Committee (TUAC) to the OECD (<http://www.tuac.org>). All the above organisations are on the Global Unions web-site (<http://www.global-unions.org>).

- a multilateral agreement to extend the Uruguay Round implementation deadlines for developing countries, at the same time as the industrialised countries provide detailed and binding timetables for their own implementation requirements under the Uruguay Round;
- increased stable and predictable market access for developing countries to industrialised country agricultural markets, at the same time as enhanced measures to promote poverty alleviation and food security in developing countries, and to ensure that food aid in no way damages local food production in recipient countries;
- and mechanisms to promote the respect of democratic principles and human rights (including fundamental workers' rights), through means such as provision of incentives.

The need for progress on Core Labour Standards at the WTO

3. Core labour standards provoked a controversy that captured the press headlines in Seattle, but the underlying differences on this issue between the democratic countries (both developing and industrialised) that make up the bulk of the WTO's membership have been narrowing all the time. The urgency of the need for action is shown by the fact that the number of export processing zones has all but doubled in just five years while China, a huge country that systematically violates fundamental workers' rights, is generally expected to become a member of the WTO in the near future. It is therefore a priority to protect the fundamental rights of workers in developing countries and elsewhere against unscrupulous governments or employers who seek to gain an unfair advantage in international trade through the violation of core labour standards².

4. Accordingly, the WTO must set up some form of formal structure to address trade and core labour standards, with the participation of the ILO, such as a WTO negotiating group; a WTO working group; a WTO Committee; or a WTO Standing Working Forum. Such a body should also address wider issues of social development, with particular attention to the impact of trade policies on women. Regardless of its exact format, any such structure must be set up with official endorsement from the WTO and include a reporting back mechanism to the WTO's decision-making bodies. Clearly, such discussions must not result in any arbitrary or unjustified discrimination or any form of disguised restriction on trade. The reports and recommendations should be tabled for consideration no later than the fifth WTO Ministerial Conference in 2003.

Reform of the WTO

5. The Seattle Conference saw an outstanding degree of criticism of the WTO's internal and external transparency and democracy, which must be addressed urgently at Qatar. Increased transparency and financial assistance is needed to ensure that all members (particularly the least developed) are able to take part fully in all WTO activities and procedures, including its disputes settlement mechanisms. The accession process for new WTO members must provide the opportunity for technical assistance and capacity building, as well as progress towards integration into a rules-based international system (which stands to be particularly significant in the case of China's accession). A closer link and co-ordination between the WTO

² Core labour standards are fundamental human rights for all workers, irrespective of countries' level of development, that cover freedom of association and the right to collective bargaining; the elimination of discrimination in respect of employment and occupation; the elimination of all forms of forced or compulsory labour; and the effective abolition of child labour, including its worst forms. Minimum wages have never been part of the proposal to protect core labour standards at the WTO.

and other international institutions, including the ILO, is essential, including reciprocal observer status.

6. Specific consultative structures for trade unions need to be established at the WTO, including for the Trade Policy Review Mechanism (TPRM). The scope of the TPRM should be expanded to include trade-related environmental, social and gender concerns, including core labour standards. External transparency is further required in the conduct of all WTO negotiations. In addition, forms of consultation are needed for parliaments, non-governmental organisations and other elements of civil society. Procedures are needed for the effective involvement of the relevant civil society groups concerned by any dispute settlement process, which need to be opened up for public information and involvement. All these reforms to introduce transparency, democracy and accountability into the WTO are essential preconditions to stop WTO rules being detrimental to workers' interests and to result, instead, in improvements in working and living conditions around the world.

Environment and Health and Safety

7. WTO rules must come secondary to the protection of the environment and health and safety, including the working environment and occupational health and safety. This would require recognition of the precedence of the precautionary principle in cases involving both consumers' and workers' health and safety, to render impossible any repeat of the type of challenge at the WTO that the EU has faced over its ban on trade in asbestos. There should be a multilaterally agreed clarification that Multilateral Environmental Agreements (MEAs) take precedence over WTO rules. Environmental labelling schemes should not be subject to challenge at the WTO.

Safeguarding Vital Services

8. In the current General Agreement on Trade in Services (GATS) negotiations, it must be clarified that countries can maintain the right to exempt public services (for example, education, health, water and postal services), and socially beneficial service sector activities from any WTO agreement covering the service sector, including at sub-national levels of government. Explicit reference to social and environmental concerns in the negotiations is required in order to prevent the conclusion of any agreements that undermine vital and socially beneficial service sector activities and/or the ability of governments to enact domestic regulations, legislation and other measures necessary to safeguard, monitor and develop such services. Countries must have the right to take a future decision to increase the public sector role in their services sectors (for example following a change of government) without facing a WTO dispute, as would be expected under current WTO rules. A clarifying definition is needed of Article I 3 (b) of GATS in order to protect social services that are provided or regulated by the government from the need to liberalise or open to market access. In the case of "Mode 4" services supply (i.e. movement of natural persons) it is essential that protection against all forms of discrimination, core international labour standards, national labour law and existing collective agreements should be respected by all parties to any temporary cross-border movement of workers.

Investment and Competition Policy

9. All discussions of international instruments in these areas must respect the value of public services and state ownership. They must include adequate provisions for developing countries' interests, including technology transfer; omit any provisions that give investors the right to challenge public actions including tax and regulatory measures; exclude investor-to-state disputes provisions; include company taxation; allow for the imposition of performance requirements, especially as regards labour market provisions; ensure that foreign investments (and incentives to attract them) do not undermine core labour standards or environmental protection; and include binding references to the ILO Tripartite Declaration of Principles concerning Multinational

Enterprises and Social Policy and the revised OECD Guidelines for Multinational Enterprises. Investment discussions should be limited to foreign direct investment only, excluding financial flows and portfolio investment, and should explicitly allow for the right to regulate capital flows. Any discussions of competition policy should focus on the regulation of mergers and acquisitions and abuse of market power by multinational companies, and must not undermine domestic competition policy.

Government Procurement

10. Any discussions in this area should cover transparency of government procurement; the protection of workers employed on government contracts, including migrant workers; and must remedy the flaws in the existing Government Procurement Agreement (GPA) by removing the ban on the use of “non-economic” criteria and authorising public authorities to engage in ethical purchasing policies.

Conclusions

11. The Qatar WTO Ministerial must address the wide range of issues raised by ICFTU members in both developed and developing countries around the world. The lesson of Seattle is that failure to do so will further reduce the WTO’s credibility and legitimacy among the general public, including the trade union movement, and intensify the backlash against globalisation. WTO members must seize the opportunity they now have to address the need to build a new consensus around a social, environmental, development-oriented, democratic, accountable, transparent and fairer rules-based world trading system.

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