

GETTING WORKERS' INTERESTS ON THE WTO AGENDA

An action guide for trade unionists



INTERNATIONAL CONFEDERATION OF FREE TRADE UNIONS - ICFTU



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INTRODUCTION

Why the WTO is crucial to workers' interests

What trade unionists can do in the lead up to the Hong Kong Ministerial

The WTO is an organisation that deals with the rules of trade between nations at a global level. Decisions made at the WTO have a huge impact on workers' interests, which is why affecting the outcomes of its meetings is a priority for the labour movement. WTO decisions affect the economy of each country, and this effect is then felt by workers in a range of ways such as the impact it has on their labour standards, their access to essential services such as health and education and their ability to organise collectively in defence of their interests. WTO policies particularly affect the ability of developing countries to alleviate poverty through trade. That is why the ICFTU is a strong supporter of the Global Call to Action against Poverty (GCAP), with its aim of achieving trade justice and bringing about changes to the global trading system so it supports the development of the world's poorest countries.

The World Trade Organisation is about to have its **6th Ministerial Conference in December 2005 in Hong Kong**. Prior to this meeting a number of negotiation meetings are still to be held on a range of topics to bring countries closer together to a deal before the Ministerial commences. **Hence the last few months of 2005 are a critical time for the international trade union campaign**. Whilst trade unions and NGOs are planning a number of events during the People's Action Week being organised to coincide with the WTO meeting, an intensive lobbying and profile raising campaign needs to occur before then if we are to have any real chance of influencing the decisions to be finalised in Hong Kong.

This action guide was produced by the ICFTU to give affiliates the necessary tools to exert pressure on their national governments and trade negotiators to ensure that the concerns trade unionists share globally about the latest round of negotiations are dealt with. Its focus is on enabling national centres to involve their members and activists in practical actions that can be taken at the local level to influence the outcome of the negotiations.

In order to increase the public pressure on our governments for them to advocate for fair trade and respect for workers' rights within trade negotiations, we must intensify our lobbying efforts, particularly between October and December 2005.

We therefore call on national trade union centres to organise campaigns for trade justice and the respect of workers' rights in as many countries as possible in order to:

- Exert pressure on governments to change policies which have negatively impacted the social and employment conditions of billions of people;
- Show the strength of public/community feeling about the current negotiations;
- Lay the ground work for publicising the message trade unions will be promoting at the Hong Kong Ministerial and establishing trade unions as an important and crucial voice in the globalisation debate.

FIVE KEY ISSUES IN THE CURRENT NEGOTIATIONS

What is on the table and what trade unions want to see happen

The current round of negotiations is called the Doha Development Round, as it is meant to achieve outcomes favourable to the developing world. But as the analysis of the key issues below points out, the current trends within the negotiations risk not favouring workers in either developing or industrialised countries.

Services (GATS)

Forced privatisation of essential services will leave the most vulnerable worse off

In the current negotiations around the liberalisation of services (General Agreement on Trade in Services or GATS), enormous pressure is being put on developing countries to open up their services markets to powerful foreign-based, for-profit corporations from the industrialised countries. With only 50 countries making offers so far (counting the 25 EU member states as one), industrialised countries continue to demand that 40 developing countries and 32 Least Developed Countries make offers to open up their service markets. The enormous pressure placed on developing countries to open up their markets makes a mockery of the so-called voluntary basis on which, under the terms of GATS, countries are supposed to make offers.

Key sectors in which industrialised countries are seeking further commitments from developing countries are, among others, finance, telecommunications, energy, environment, water, tourism, distribution and transportation services. On the one hand, these are among the service sectors where the EU and US are the home base of multinational corporations seeking to expand their global market reach. On the other hand, these sectors represent crucial and necessary bases for the fulfillment of human rights and they provide the fundamental support services required for agricultural and industrial production.

Our main concerns regarding GATS

a. Irreversibility of commitments

When a country makes a commitment to open up its service markets it becomes impossible for it to reverse this decision without taking the risk that member countries will demand financial compensation under WTO auspices. This could mean that a country whose circumstances or government change in effect cannot adjust their trade policy despite there being valid reasons to do so.

b. Benchmarking

The fact that big players in international trade such as the European Commission have advocated the establishment of 'benchmarks', or a formula for minimum levels of market access, and are coordinating these demands through informal 'friends' groups in key sectors means that countries no longer have the flexibility to decide whether to table offers and engage in commitments or not. The whole idea of "benchmarks" goes against the original agreement which gave countries choice on whether and what to negotiate, as it will turn countries into 'good' or 'bad' WTO members depending on whether or not they agree to reach the targets. Benchmarking effectively takes away the right of countries to preserve 'policy space' and national sovereignty.

c. Mode 4 – regulating human movement

The so-called Mode 4 negotiations refer to the movement of people to other countries to work in service industries on a temporary basis. Whilst developing country governments are hopeful that these will

benefit them, they stand to lose skilled workers in important areas such as health, education and professional services, without being compensated for investing in the training of those people. At the same time, the migrants who would gain access are unlikely to be employed under the same wages and conditions as local workers, hence risk being exploited. This could also create unfair dislocation of domestic workers, known as social dumping.

d. When is a safety standard "more burdensome than necessary"?

Currently the GATS text includes a reference to governments ensuring that technical, environmental and other standards are not used as barriers to trade and "are not more burdensome than necessary to ensure the quality of the services". Of course, definitions of "necessary" and "quality of service" vary wildly and currently there is an EC (European Commission) proposal which recommends "disciplines on domestic regulation". Many countries fear that these so-called disciplines, which are aimed at removing regulations, will in fact interfere with a government's right to regulate, and weaken their ability to protect their citizens. Trade unions should be particularly concerned as it is foreseeable that these could affect social, health, safety and environmental regulations.

How to address these issues

1. The terms of the GATS agreement should be amended to exclude public services (above all, education, health and essential public utilities such as postal services and telecommunications) including at sub-national levels of government, and other socially beneficial service sector activities, from all further GATS negotiations.
2. Across all GATS negotiations, provision should be made on a horizontal basis (for all services) for access to quality services at affordable prices for all.
3. No selective 'benchmarks' or other changes in the negotiation process should be introduced which force developing countries to make precipitant commitments in specific sectors, and which take away the flexibility of the GATS agreement. All requests and offers must be made fully public without delay.
4. No rules for domestic regulation should be decided upon that limit the possibility of governments to introduce rules and regulations of their choice to protect their people and environment and that would put trade interests above all other interests. Indeed, the Hong Kong Ministerial should adopt a strong clarifying statement to spell out the greater importance of trade regulation as opposed to trade liberalisation, in case of any trade dispute where there might be a conflict between these two stated objectives of the WTO.
5. With regards to Mode 4, orderly arrangements for permanent migration are preferable where necessary, including full measures to guarantee migrant workers equal rights, encourage their full integration (including through acquired rights to permanent residence and citizenship), prevent exploitation by employers and protect them against all forms of discrimination. The competences and structure of the WTO do not enable it to regulate migratory movements, including those on a temporary basis such as under Mode IV, in a manner that protects migrant workers' rights. If any governments do nonetheless make Mode IV offers that would include the temporary movement of workers, these must be agreed with the trade unions concerned and ensure the observance of core labour standards and national labour law (incorporating and going beyond those standards) in the country where the service is delivered. Workers should be covered by existing collective agreements in the host country and have access to social security and insurance schemes on the same basis as local workers. In the absence of such conditions, GATS negotiations and commitments under Mode IV should not go forward.

6. A comprehensive independent assessment should be made of the developmental, environmental, employment, social and gender impacts of the liberalisation of services, in all countries, but especially in developing country economies, before proceeding any further with the current round of GATS negotiations.

Workers' rights

Labour standards are not secondary to market competition and the drive for profit

The employment consequences of trade are almost always neglected in trade negotiations, despite the fact that there is plenty of evidence available of the negative impact of the speed and manner with which trade liberalisation has taken place.

We are particularly concerned about the consequences for the workers in the following areas:

a. Clothing and textiles – a disastrous experiment

The end of the Agreement on Textiles and Clothing (ATC, the successor to the Multi-Fibre Arrangement or MFA) had been known for a decade (since the ATC was adopted) but nothing had been done to prepare for the extent of the shock to the workers affected by this sudden and steep reduction in quotas. As a result, production has dramatically shifted from poor countries with low labour costs (eg. Bangladesh, Sri Lanka, Guatemala) to China, with 30 million job losses expected in the long term. In addition, because the textiles and clothing industries have traditionally been the engine of development for many countries (eg. Lesotho relies on the sector for 99.14% of its exports earnings; Bangladesh for 94%; Haiti for 88%; Cambodia for 86%; Pakistan for 75%; Honduras for 75% and Sri Lanka for 63%), the end of the ATC has already created chaos in lots of national economies of the poorest countries. In order to cope with these changes, the response of many developing countries has been to intensify production in EPZs where labour standards are sacrificed for the sake of competitiveness. But because the WTO is not in any way connected to the institutions of the UN that are responsible for development, labour, health, women and the environment, and few planning or assistance programs have been put in place, this process has gone unabated.

b. The dominance of China – the frontrunner in the race to the bottom

China's entry into major world markets without having to meet even the most basic of ILO standards has resulted in a destabilisation of the world trading system and is leading to job losses worldwide, especially in labour-intensive sectors. The total absence of trade union freedom in China clearly facilitates the unbridled exploitation of Chinese workers and severely compromises their health and safety. For example, officially, more than 6,000 Chinese miners lose their lives each year in industrial accidents. The real figure is believed to be much higher, however, because operators often conceal accidents to avoid fines and costly shutdowns. The onus of competing with China has a knock-on effect on workers' rights in other countries. For example, in the textiles, clothing and footwear sector, employers in the Dominican Republic are refusing to pay the last inflation based wage increase. The Phillipines government has exempted the garment sector from paying the legal minimum wage and Bangladesh has sanctioned a 72 hour work week. All say more sacrifices will be needed to stay competitive with China.

c. EPZs

At the last WTO Ministerial Conference in Cancun, trade unions highlighted the plight of workers in Export Processing Zones (EPZs). Since then, a combination of factors such as the end of the ATC and the dominance of China on world markets, have put even further pressure on workers in EPZs, most of whom are women. The women are the primary victims of the exploitation that characterises EPZs. The exclusion by governments of EPZs from national labour legislation, as well as other forms of privileged treat-

ment for export production, is a distortion of WTO principles (particularly when foreign enterprises are treated better than domestic ones) as it means that production for domestic markets is taking place on "less favorable" terms than that of exports.

How to address these issues

1. The 6th WTO Ministerial Conference should adopt a clarifying statement to the effect that the weakening of internationally-recognised fundamental workers' rights in order to increase exports is an illegitimate trade-distorting export incentive that is not permissible under WTO rules. All WTO members must also renew their formal commitment to uphold core labour standards.

2. The particularly serious problems in the textiles and clothing sector may require the use, in the short term, of safeguard measures to dampen the shock. In that respect it is important to adopt an emergency Policy Coherence Initiative in Hong Kong. Its objective would be to study growth, exports and employment in the textiles and clothing sector after the end of the quota system, with attention to differential gender impact; to put in place a comprehensive industrial and trade policy approach aimed at coping with the impact of the end of ATC in every country where the textile and clothing sector is significant, with different and specific measures tailored to the situation in each case; and to provide international assistance to assist the developing countries concerned (particularly the least developed countries) accordingly.

3. Coherence across the multilateral system is needed. The WTO should take full part in multilateral policy coherence initiatives as one of its measures to establish a closer link and co-ordination with the UN institutions, with reciprocal observer status. This needs to be part of a general initiative to increase the weight given to the recommendations of the UN and its specialised agencies, including the International Labour Organisation (ILO), the FAO and UNCTAD, in the actions and decisions of the WTO as well as the international financial institutions

4. To enable a full examination of the relationship between trade, development and decent work, the WTO must establish a formal process to examine the employment and social impact of liberalising trade, including its synergies with fundamental workers' rights, implemented with the ILO. Such a body should also address wider trade-related social issues, such as the impact of trade policies on women. WTO members need furthermore to update the WTO agreements (including GATT Article XX and GATS Article XIV) to incorporate UN human rights standards, including the core labour standards of the ILO.

5. The 6th WTO Ministerial Conference should take the decision to organise a first-ever meeting of Trade and Labour Ministers, with the participation of trade unions and employers' organisations.

6. In both industrialised and developing countries, governments must begin to provide adequate levels of adjustment assistance for working women and men displaced by trade, in order to ensure a fair distribution of the benefits and costs of trade liberalisation – to achieve equity between groups within countries, equity between men and women and equity between countries.

7. The WTO's Trade and Development Committee should be mandated to look at the employment effects of trade liberalisation. In view of the close links between employment and development, this would be entirely consistent with Article 51 of the WTO Doha declaration adopted in 2001 that called on the Trade and Development Committee to "act as a forum to identify and debate developmental aspects of the negotiations, in order to help achieve the objective of having sustainable development appropriately reflected."

8. The trade policy reviews that are conducted regularly by the WTO should include, in future, a serious analysis of sustainable development – which includes social development, a gender impact assessment,

and respect for fundamental workers' rights, in which the ILO and other relevant agencies should be fully involved. The governments in the WTO should themselves include such issues in the reports they submit to the trade policy review meetings, as some have already begun to do.

9. Finally, a Working Party should be established by the WTO General Council to examine the impact on employment likely to result from implementation of any trade liberalisation measures that are agreed in the Doha Round.

Non - Agricultural Market Access (NAMA)

The textiles crisis must not be repeated in other sectors

NAMA negotiations are particularly important for trade unions as they cover liberalisation of trade of all non-agricultural goods (including forestry and fishing products) and hence have the potential to affect production and employment in many sectors. NAMA negotiations will determine how much domestic say we have in deciding where jobs are created, how resources are used and whether our governments can run the industrial and development policies they are elected to carry out.

NAMA negotiations have been ongoing since the Doha ministerial declaration in November 2001. As things currently stand, there is a major push to reach agreement on NAMA by the December Ministerial. There are several issues that concern trade unions regarding the current proposal, one of them being the formula for tariff reduction. Prominently on the table is the so-called Swiss formula, which aims to cut tariffs in a way that will create "uniform" tariff structures (harmonisation) across different industries. Higher tariffs will be cut more than lower tariffs. As developing countries generally have high tariffs and industrialised countries low tariffs, this would mean that developing countries would make much steeper cuts than industrialised countries. If tariffs are cut in such a manner, many countries whose industries are not competitive enough will not be able to increase market access for their exports. At the same time, they will experience a growth in imports which stands to crowd out local production, leading to closures, dislocation and unemployment.

Our major concerns regarding NAMA

a. Loss of jobs and policy space

Tariff reductions are likely to lead to company closures and unemployment if they are implemented too fast and the level of imports rises suddenly. The current state of the global clothing and textiles industry is an example of this.

If the proposal were implemented, countries would also effectively lose some of their "policy space" regarding their choice of tariffs and non-tariff barriers as an instrument to protect strategic domestic industries and infant industries. The proposal requires countries to "bind" their tariffs, effectively locking them into a position where they can never again raise tariffs on products, regardless of whether it would be in their interest to do so. Substantial tariff reductions would open up these economies to foreign competition and could undermine developing nations' attempts at diversifying their economies as they develop further industrial sectors and subsectors.

b. Loss of income for social expenditure

By reducing tariffs, countries may lose tariff incomes which, for developing countries, often represent a large part of the government budget – an average of 32% for least developed countries, more than 40% on average in Africa and around 50% in several island economies (in contrast, in industrialised countries tariff revenues only represent on average 1% or less of government revenue). Those revenues are often used for government spending in areas such as health and education and taking them away will place an

even greater burden on already under-funded systems in many countries.

c. Operating in the dark - no impact assessments so far

Another concern is that no impact assessments concerning possible negative effects for employment and development have been made so far. This means that if the proposal is adopted, countries would be signing up to an agreement that could have very serious consequences for their future.

The impacts on developing countries of further liberalisation of tariffs on non-agricultural products will differ significantly between countries at different stages of development. LDCs with domestic manufacturing can expect adverse effects from increased competition from imports. In those countries with established export manufacturing capacity, liberalisation will lead to increased competition for export opportunities. Significant impacts are to be expected on employment, real income, poverty, health and education, equity, environmental quality, and sustainable development strategies in developing countries and LDCs. (SIA of WTO negotiations, preliminary overview, 2003)

d. Further preference erosion

A general reduction of tariffs in industrialised countries will lead to further preference erosion, which will be negative for many of those that receive preferential access through bilateral or regional agreements (such as the European Union Generalised System of Preferences) for their products in industrialised country markets. Currently a number of the Least Developed Countries have access to industrialised countries' markets through these agreements. Reductions in tariffs will erode the advantage those developing countries have over other developing countries and when tariffs in industrialised countries come close to zero, the tariff advantage given under these agreements will be lost.

d. Health and safety as a trade barrier?

Non Tariff Barriers, whose elimination is also being discussed as a part of the NAMA process, can include any rule or regulation that affects trade. Some of these Non Tariff Barriers have sometimes been used as protectionist measures to block developing country access to industrialised country markets. But that is no reason to oppose NTBs because many, such as those relating to environmental and health and safety concerns, are legitimate and should not be included in the negotiations on NTBs.

e. Zero tariffs for some industries – and fast

The sectoral approach refers to a number of sectors for which complete trade liberalisation is envisaged, which means a reduction of tariffs to zero or close to zero within a given (and short) time frame. The proposal has been made for sectors such as fish and fish products; textiles and clothing, leather and footwear; stones, gems and precious metals; electronics and electronic goods; motor vehicle parts and components; bicycles and sporting goods; chemicals; pharmaceuticals and medical devices; and forest products and other raw materials. An important part of production in many of these sectors takes place in EPZs. As evidence shows, the conditions for most workers in EPZs (the majority of whom are women) are dire, and as unmanaged trade liberalisation in these industry sectors stands to stimulate further production in EPZs, this will increase the pressure on workers' conditions and rights. In addition, as evidenced by the experience of the textile, clothing and footwear sector, such sectoral approaches are likely to lead to massive job losses.

In order to address all these issues, we must urge governments to:

1. Undertake rigorous assessments of the impact of NAMA negotiations on industrial development,

decent work and people living in poverty with the full involvement of trade unions representing workers that will be affected by the outcome.

2. Advocate the funding of effective, employment-oriented support programmes and social safety nets to accompany any liberalisation of trade in non-agricultural products. These should include unemployment benefits, the training of redundant workers, job matching services as well as industrial development policies to boost employment.

3. Support the provision of “policy space” for both developing and industrialised countries so they can have the tools they need to undertake legitimate and necessary industrial development strategies.

4. Support developing countries in retaining higher tariffs or unbound tariffs if they choose to do so.

5. Support developing countries in not taking part in any “sectoral” negotiations if they feel it is not in the interests of their economic development.

6. Call for the respect for and enforcement of workers’ rights, including trade union rights in WTO negotiations, with particular attention to the impact WTO policies have on the working conditions in EPZs.

Agriculture and food security

Fair trade rules are the key to alleviating poverty and feeding the hungry

Agriculture remains at the heart of the negotiations. Without progress in agriculture it remains unlikely that there will be movement in the other negotiating areas. On the flip side though, once an agriculture deal is struck, the rest are highly likely to follow.

The international trade union movement insists that trade agreements must ensure food security and not undermine it. There is a fundamental human right to adequate levels of nutritious food at affordable prices, and trade agreements need to be revised so as to guarantee that right.

Our main concerns regarding agriculture negotiations

a. Inequitable subsidies

The exorbitant levels of agricultural subsidies and so-called farm support mechanisms in most industrialised countries impose heavy costs on the developing world, generally fail to target subsidies to the poorest farmers and boost the incomes of large wealthy agro-businesses instead. Furthermore, subsidised agricultural exports have artificially depressed prices in many developing countries, leading to the destruction of farms and rural employment due to massive imports of subsidised products. Given existing gender inequalities regarding property rights, access to knowledge and technology, this often has a particularly serious impact on the women who constitute the majority of rural producers in many developing countries.

b. Food security

Ten years of liberalised trade in agricultural commodities under the WTO Agreement on Agriculture have failed to yield the promised benefits. In many countries, food security has been progressively undermined. UN statistics show a dramatic surge in the export of many basic foodstuffs to countries which were formerly capable of meeting these needs through local production.

c. Employment

The impact of agricultural trade agreements on rural employment has been severe, and is one of the primary factors generating massive global labour migration.

How to address the issues

1. The trade union movement proposes the elimination of all forms of agricultural export subsidies, with the setting of an early end-date in Hong Kong for all such subsidies to be terminated. Other agricultural subsidies need to be reduced and reoriented towards sound rural development through employment creation, the eradication of rural poverty, the improvement of employment conditions and the promotion of ecological sustainability.
2. All these measures must be focused on the level and conditions of employment and accompanied by initiatives aimed at providing rural workers with new employment opportunities.
3. In view of the importance of cotton to several very poor developing countries, all trade-distorting cotton subsidies should be phased out as quickly as feasible.
4. Increased national and international efforts are required to address the often serious abuses of workers' rights and working conditions in the rural sector, including on plantations and in other forms of export production, with particular attention to violence against rural trade unionists and to women's rights.
5. Concerted, coordinated efforts must be undertaken to eliminate child labour in agriculture, the sector in which it is most prevalent, and to implement substantial improvements in occupational health and safety for rural workers.
6. Strong rights for special and differential treatment concerning agriculture in developing countries (including their requests for special products and a special safeguard mechanism) are needed so that they have the requisite flexibility to defend and enhance domestic agricultural production. In particular, differential treatment to improve food security, food safety, poverty eradication and land reform are necessary as are other measures to improve the livelihood of agricultural workers and low-income farmers as well as provide safe and decent jobs, with particular attention to women.
7. Developing countries need increased stable and predictable market access to industrialised country agricultural markets, underpinned by social and structural policy that will prevent large agribusiness driving out small local farmers.

GCAP

What the WTO can do to help end global poverty

The Global Call to Action against Poverty is a worldwide alliance committed to making world leaders live up to their promises, and to making a breakthrough on poverty in 2005. It is an alliance between existing coalitions, community groups, trade unions, individuals, religious and faith groups, campaigners and more. The ICFTU and our national affiliates have been, in addition to other trade union concerns, raising issues of poverty eradication at the G8 Summit in Gleneagles in July 2005 and at the World Summit of the UN General Assembly in September. The WTO meeting in Hong Kong will provide another opportunity to put the question of poverty and trade, and within that, the question of decent work on the agenda.

As a part of GCAP, hundreds of organisations and 155 million people are calling for reforms to trade that ensure the right of developing countries to pursue their own development agendas, putting people's interests first. Above all, we want trade rules to benefit the poor and promote the upholding of core

labour standards and to ensure that workers receive a decent wage and work under decent conditions. With that in mind, we call on the WTO, international financial institutions and national governments to:

- Enact measures to protect public services from forced liberalisation and privatisation, secure the right to food and affordable access to essential drugs
- Increase accountability and transparency of governments and international organisations to their grassroots constituencies in the formulation of international trade rules and national trade policies, while ensuring consistency of trade policies with respect for workers' rights, and human rights more broadly
- Immediately end dumping and rich country subsidies that keep people in poverty.

GCAP has provided an arena where trade unions and civil society can get together and jointly work towards policy outcomes that benefit the world's poor. When engaging in lobbying, trade union campaigners should emphasise that trade union concerns have broader support from civil society, as evidenced in the theme of decent work, workers' rights and access to quality public services being a part of the GCAP platform.

As a part of GCAP, two White Band Days have been held and another one is planned for December 10, to coincide with the WTO meeting in Hong Kong. That day is also International Human Rights Day. Activities are also planned in the days prior to December 10, in particular on December 1 which is International World AIDS Day. Trade unions throughout the world took part in White Band Day 1 (held on July 1) and White Band Day 2 (held on September 10). Both of these days mobilized millions of people in calling on world leaders to address the question of poverty. WBD 3 will be a crucial day for trade unions because it will focus on trade justice, which of course includes the decent work agenda and workers' rights.

Some of the key GCAP messages for December will be:

- Pro-poor, pro-sustainable and gender sensitive development
- Protect countries' right to development
- Protect public services
- Secure the right to food
- Strengthen corporate accountability
- Accountability and transparency of WTO
- Respect workers rights
- Trade and decent work

All of these messages tie in with positions held by the international trade union movement around trade. On December 10 we urge all affiliates to get involved in activities planned by their national GCAP coalition. These will most likely include demonstrations, conferences, visual stunts, concerts and a range of others.

We also urge all affiliates to discuss the demands of GCAP with their trade negotiators if they have a chance. The ICFTU will be producing a short briefing for national trade union centers on what they can do on December 10. Please check the ICFTU's GCAP webpage for more details or subscribe to the GCAP newsletter by sending an email to gcap@icftu.org.

Further information can be found on the ICFTU's GCAP web page, and on the web page of the GCAP itself (see "Useful websites and contacts" at the end of this document).

OTHER MAJOR REFORMS NEEDED AT THE WTO

Since the inception of the WTO, the international trade union movement has been calling for a range of reforms which would allow it to fulfill the potential trade holds for developing countries. Alongside the particular issues and demands outlined above, which specifically refer to the current negotiations, below are five key messages regarding the general functioning of the WTO that we as trade unionists need to keep reiterating to our governments, the media and the public.

Transparency and democracy

In order to achieve a more equitable, inclusive and democratic decision making process in the trade negotiations, WTO working methods need to be transparent and democratic, giving due regard to the views of smaller and poorer countries. The WTO decision making process is constructed around the principle of one country – one vote. Decisions are made by consensus and agreements are ratified by parliaments. Theoretically then, a decision is taken when every country has agreed on it. But the practice is very different. Because the bargaining positions of poor and rich countries are unequal, it is wrong to pretend that each country has an equal say in the negotiations. The negotiation processes should ensure the effective participation of all members at all stages of negotiations, including in informal settings. Transparency is needed in domestic decision-making processes relating to trade as well.

Consultation

The WTO must be made more transparent and accessible for trade unions and other representatives of democratic organisations. A formal consultative process should be established at the WTO to ensure that trade unions, non-governmental organisations and other representative elements of civil society can present their views to WTO Committees, Working Groups, Negotiating Groups, the General Council and Ministerial Conferences. Genuine processes are further required at national level for consultation of trade unions and other representative civil society organisations on trade issues, with better research and public provision of data (disaggregated by gender) to facilitate such involvement.

Impact assessments and re-structuring support programmes

All current WTO negotiations are held in a context in which the consequences of proposals are never assessed. Comprehensive impact assessments of the implications of trade agreements for food security, employment, social conditions, rights, gender and development are therefore needed before they are negotiated or concluded. Trade unions should take part in any impact assessments as we are in the best position to provide accurate information of how trade affects labour markets. Such analyses should be conducted on both a multilateral and a national basis, with attention to the impact of trade both on sectors directly affected and on poor and vulnerable workers, many of whom are frequently women. Only with such comprehensive analyses will governments become fully aware of what the implications of signing agreements will be, and which accompanying policy measures have to be taken. Any restructuring that arises from WTO policy must be accompanied by appropriate funding for support mechanisms (e.g. re-training, unemployment benefits, job search support) which help alleviate the social costs born by workers.

Decent work

The impact trade has on the level and quality of employment determines whether trade contributes to or detracts from raising living standards. Trade negotiations must take place on the basis of a serious and prior analysis of their impact on the level and stability of employment (particularly in labour-intensive sectors), respect for fundamental workers' rights, equality between women and men, good working condi-

tions, social protection and access to quality public services.

The ILO strategy for decent work is structured around four objectives:

1. To achieve fundamental principles and rights at work
- 2 To promote greater employment and income opportunities for both women and men
- 3 To aid in extending social protection
- 4 To promote social dialogue

All WTO decisions should bear in mind these objectives.

Policy space

Through exerting pressure on developing countries to liberalise their markets, the WTO negotiations restrict considerably the ability of national governments to make decisions in the interests of their economies and their citizens. This undermines the idea of popular democracy, as even popularly elected governments with a mandate from their constituents have little control over policies which greatly affect them. In addition to the pressure created by the WTO, other international financial institutions such as the IMF and the World Bank often require developing countries to privatise their services and open up their markets in order to access loans which they desperately need to survive. Instead, all such processes need to be carried out on a voluntary basis and with space given for developing countries to adopt policies that suit their domestic circumstances.

TAKING ACTION

If you take action regarding these trade issues, no matter how big or small, please let Esther Busser at the Geneva office of the ICFTU know. This information will help us coordinate lobbying actions and ensure you are empowered with the most up-to-date information that can help your lobbying efforts. Email Esther at esther.busser@geneva.icftu.org

Lobbying your national government representatives and negotiators

Who to lobby

In order to affect the decisions to be made at the WTO, we must change the minds of those doing the negotiating. This can be done through direct contact with the government representatives responsible for trade negotiations, who will generally be the Minister for Trade, Minister for Finance and the Prime Minister or President. Alternatively, if direct access is not possible, parliamentarians can indirectly place significant pressure on government ministers. At present much of what takes place at the WTO and in other trade negotiations takes place without the knowledge of parliamentarians even though the agreements are signed in their name. We need to educate and lobby parliamentarians about current negotiations and about our alternative proposals to ensure they put pressure on trade negotiators before the meetings and then hold them to account afterwards. If you can't lobby all parliamentarians, focus on those involved in trade committees, those with an interest in trade or links to trade unions and those in key positions in opposition parties.

Individual lobbying

If you have the access, try to arrange to meet with the relevant Ministers and or their staff, particularly prior to the rounds of negotiations cited in the "key dates" section below. If you get a meeting with them, it is important that you take the relevant list of issues/demands by trade unions and that you have the latest information regarding the negotiations. Refer to the "resources" section of this guide for the model letters regarding the current negotiations and contacts to get updated information.

Organising a mass lobby

A national mass lobby involves organising as many face-to-face lobbying meetings between trade union activists and parliamentarians as possible, at the same time. This can happen at the national parliament or in the local or regional government offices.

Mass lobbies should be public and visible. Whilst face to face meetings are the main component of a mass lobby, if you can't get anyone to meet, don't let that prevent you from taking action. A few simple things that you can do:

- Send emails, faxes, postcards or letters to ministers and parliamentarians. The more they get the more notice they will take of our concerns. Keep a track of who you have contacted and what responses they gave you so you can use this information in future lobbying efforts.
- Ask your activists to phone and or visit parliamentarians directly - try to co-ordinate so that all of the calls/visits are done on the same day.
- Work with parliamentarians to request debates on trade or WTO issues or get them to ask questions in parliament

Timing

The lobbying can take place as soon as trade union centres are organised to engage effectively in the campaign. Ideally, your lobbying efforts should seek to culminate prior to the October 19-20 WTO General Council meeting which will make substantial adjustments to proposals being taken to Hong Kong.

What to say

In addition to the policy specific key messages outlined in the previous sections, here are some other suggestions for general things you can ask for:

- Ask them to request a debate in parliament or pose a question to the relevant minister
- Ask them to speak to their party leader/Trade Minister about the issue
- Ask them to get back to you on any progress they have made by a specified date

Some tips for lobbying politicians:

- Select the right people to see: who can bring about the changes you want or put pressure on key decision makers?
- Be persistent: sometimes it is hard arranging a meeting time and persuading politicians to listen to you. Accompanying your lobbying with a public event can help you get your foot in the door
- Be clear: be specific about what you want them to do. If a range of people are doing the lobbying together make sure you all stay united and don't send mixed messages
- Do your research: don't let your argument fall down on the basis of a false piece of information
- Take more than one person: representatives from a number of trade unions and or/industry sectors can often have a greater impact than an individual
- Ensure women trade unionists are on your delegation, so that you represent a cross-section of the workers who will be affected by the trade talks
- Give them a written document to respond to: this will make it clear to them what you want and avert any confusion
- Ask them to confirm in writing any promises they make during your conversation

Raising the issue in the public eye

Your lobbying should be accompanied by a range of actions that can maximise its impact. Keeping trade justice issues in the public eye will help put pressure on politicians. Public and media events are also important in order to raise the awareness of trade union members and provide them with opportunities to take action.

Here are some ways in which you can publicly raise the profile of the issue:

- Organise a demonstration, protest, community day or other type of public event
- Organise a media stunt the day of your lobbying to draw attention to it
- Write an opinion piece for a national newspaper or letters to the editor regarding the issues to coincide either with your lobbying or one of the events listed in the timeline
- Collect signatures on a petition and present it publicly to a relevant person or use it in a creative way
- Organise a letter writing or e-petition campaign
- Organise a press conference together with NGOs and other groups working on the issues to promote our goals

Organising an event

Here are some things to remember about organising an event to accompany your lobbying:

- Stick to your key messages. Repetition is the key of getting a message across, as is keeping it simple. Make sure all those speaking at your event are briefed properly about what the key messages are.
- If you hold a press conference, make sure that not all the speakers are trade union officials. Include ordinary workers. Ensure women are represented.
- As much as possible, always confirm that your venue is available for the date of your event and that it is not competing with another (noisy) event nearby. Get permission if you need to.
- Prepare workers to speak with reporters. It is OK if they are nervous or unpolished, as long as they can talk about their personal experience in a way that makes the public sympathetic.
- Use colourful and interesting props to deliver your message.

The importance of the media

Whatever activities you decide to organise, they will almost always have much greater impact if they are reported in the media. Here are some ideas for getting the media interested.

- First and foremost, put workers out front. Give workers themselves the opportunity to tell their stories about how the current trade system affects them. The media is interested in human stories, and people like hearing about other people
- Present your event as having local relevance. Find some way of linking your trade justice event with something that is important or iconic to your geographical location. Consider choosing a public place that symbolizes what's wrong – the stock exchange, government offices, a factory that is about to close down or where conditions are bad, etc. Alternatively, you may want a place that symbolizes the strength of workers – such as a place of democracy, a place that symbolizes freedom of assembly etc.
- Be creative. Use visual elements to make your story more appealing to television and newspapers.
- Say something new. This could be a different angle on an old story, or a new report about the effects of free trade on workers
- It is a good idea to set up a working relationship with journalists in advance. Work out who covers trade issues for your national newspaper or broadcaster and give them a call to let them know you are planning an event. Give them good background information, or a media briefing pack, if you can put one together
- Send out a media release telling the media about your event. You should follow it up with a personal phone call even if just to check it has arrived. Your media release should be no longer than one A4 page
- Don't post media releases on Fridays, as they more easily 'go astray' when there are fewer staff working over the weekend. Try quiet news days, such as Mondays, summer holidays, public holidays. If you can, set your event between 10 am and 2 pm so reporters can have time to file the story for the next day's papers

Writing an op-ed

It may be possible to write an opinion piece for a newspaper, often called an "op-ed" (opinion-editorial). This is a great way to get your message across and not get mis-reported. Get a prominent trade union/community leader to write it. Try and get its publication to coincide with one of the key dates listed below.

Writing a letter to the editor

Letters are one of the most widely-read parts of a newspaper and can spark debate and generate wider coverage. Your letter to the editor can be in response to a previously published article or letter in which case quote the article/letter's author, title and date of publication. Alternatively, your letter could be on a new issue. When choosing which publication to write to, think about what your government representatives read and which media outlets they are influenced by.

Your letter should be:

- Opinionated, but conveying campaign messages and statistics
- Short and to the point – around 250 words in length
- Include a contact name and address

If you undertake action, please inform us and send us the material, so we can publicise it and help unions in other countries to improve their own work.

Joining in international action

Key dates

Here are some key dates and events around which unions should focus their actions:

October

10-14 NAMA negotiations in Geneva
Mini ministerial Geneva
19-20 WTO General Council meeting in Geneva
November

November

7-11 NAMA negotiations
21 European Trade and Development Ministers' Meeting
Mini ministerial Korea

December

1-2 WTO General Council meeting in Geneva
10 International Human Right Day and GCAP White Band Day 3
13-18 6th WTO Ministerial Meeting in Hong Kong

Useful websites and contacts

The ICFTU's trade, investment and labour standards web page
<http://www.icftu.org/focus.asp?Issue=trade&Language=EN>

The International Textile, Garment and Leather Workers' Federation website
<http://www.itglwf.org>

The Public Services International Website – resources on GATS negotiations
<http://www.world-psi.org>

The Education International website
<http://www.ei-ie.org>

The International Union of Food workers website –resources on the WTO & food system

<http://www.iuf.org>

The Global Call to Action against Poverty web page
<http://www.whiteband.org>

ICFTU's GCAP web page
<http://www.icftu.org/focus.asp?Issue=GCAPcampaign&Language=EN>

Solidar's Workers Rights are Global! Campaign page
<http://www.solidar.org/DocList.asp?SectionID=6&tod=5327>

Oxfam's Make Trade Fair campaign page
http://www.oxfam.org/eng/programs_camp_mtf.htm

War on Want's Trade Justice Campaign page
<http://www.waronwant.org/?lid=673>

Website on NAMA with all documents and background material
<http://www.namawatch.org>

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Photo: Boris Naudin

MODEL LETTER TO MINISTERS OF TRADE

Dear Minister.....,

NAMA negotiations at the WTO

We are writing you with regard to the recent developments in the NAMA negotiations in the WTO. We are concerned that these tend to focus on ambitious market access objectives and far-reaching tariff liberalisation, without taking developmental and employment concerns sufficiently into account.

Concerning the NAMA negotiations in particular, para. 16 of the Doha Ministerial Declaration states clearly that “the negotiations shall take fully into account the special needs and interests of developing and least developed country participants.” This fundamental principle was reaffirmed in the July Decision of last year (WT/L/579), commonly referred to as the July Framework.

In line with the above understanding, discussions should therefore focus first and foremost on identifying and addressing the above issues, before moving to the establishment of specific modalities. Such is not currently the case. The proposals for an ambitious harmonisation tariff cut formula, as proposed by several members, would result in a very steep level of tariff reductions by developing countries. This would not be in conformity with another of the criteria upheld in the Doha Declaration, that of “less than full reciprocity” with regard to the levels of tariff reductions expected of developing countries, relative to industrialized countries.

Concerns around these proposals have been expressed by many developing countries and concretised in a proposal made by a number of Caribbean countries. That proposal draws attention to the serious risk that steep tariff reductions could severely harm developing countries’ local industries, their balance of payments, and their tariff revenue, all of which are crucial elements in development and poverty reduction strategies. Results of IMF/World Bank structural adjustment programmes which included trade liberalization in the past have shown the negative impact on domestic industries in a number of developing countries. The Caribbean proposal therefore proposes a “Uruguay Round” approach as the best means to address development concerns, based on average levels of tariff reduction.

In addition, under the July Framework WTO members (except to some extent LDCs, which are asked to bind tariffs “substantially”) would be expected to bind their tariffs, including those countries that currently have only bound some of their import tariffs. The request for all tariffs to be bound would impede on the use of tariffs as a policy instrument. It would take away the flexibility for developing countries to increase or decrease tariffs in a manner that benefits their domestic development agenda and to use tariffs as part of their industrial development strategy.

Although proposals under discussion do offer LDCs the opportunity to be excluded from tariff reduction, other developing countries are not excluded. Furthermore, the formula for tariff reduction is likely to set a precedent for future treatment of tariffs of all WTO members, including LDCs.

In addition many LDCs and other preference-receiving developing countries face major problems from the likely erosion of their preferential market access to developed countries in the NAMA negotiations.

Given all these concerns with respect to the current negotiations on NAMA, and the lack of proposals for proper impact assessments and accompanying adjustment policies, we call upon the government to:

- Ensure that developing countries have the policy space to undertake legitimate domestically-based industrial development strategies. NAMA negotiations should not restrict that flexibility in making commitments on how many tariffs will be bound and at what level. Any developing country that binds its tariffs should be able to alter that commitment on grounds of justified social and development purposes;
- Ensure that any formula decided upon will reflect the principle of less than full reciprocity for developing countries, take into account the special needs and interests of developing countries and provide effective special and differential treatment as established in para 16 of the Doha Declaration. Developing countries, particularly the least developed ones, should have the right to retain higher tariffs if they so wish, in line with the principle of less than full reciprocity. Any decision to reduce tariffs by developing countries should be taken on an optional basis as a strategic policy decision, not as a requirement under the NAMA negotiations;
- Developed countries have to address tariff peaks and tariff escalation and improve market access for developing countries, particularly for least developed countries. At the same time, progress has to be made on respect for fundamental workers' rights to ensure that developing country workers benefit from increased market access;
- With regard to the sectoral approach, developing countries should not be put under pressure to take part where they consider that it is not in the interest of their economic development;
- The issue of preference erosion has to be addressed, with a full impact assessment, and with time to adjust before any changes to preferential regimes are implemented. The provision of adjustment assistance is also needed;
- Any use of non-tariff barriers as an unreasonable barrier against exports of developing countries should be addressed, including through the provision of adequate assistance to developing countries to comply with NTBs;
- Multilateral and national impact assessments have to be conducted of the impact of current proposals on development, the quality and quantity of employment and people living in poverty with the full involvement of trade unions representing workers that will be affected by the outcome. Specific attention should be given to labour-intensive sectors, including an analysis of the gender impact, as called for in para 16 of the Doha Declaration which states that the modalities should include appropriate studies and capacity-building measures;
- Countries need to have adjustment policies in place that address the negative outcomes of tariff reductions, such as unemployment benefits, training of redundant workers, job matching services etc, as well as industrial development policies to boost new sectors for employment and economic growth. This requires the provision of national and international funding to support employment adjustment assistance when jobs are lost as a result of trade liberalisation.

We are also, of course, concerned with the full range of issues raised in the current WTO round, and in that regard attach once more the Trade Union Statement on the

agenda for the 6th WTO Ministerial Conference (Hong Kong, 13-18 December 2005), which addresses NAMA as well as the other most significant items under negotiation.

The adoption of certain of the current NAMA proposals on the negotiating table risks to have a most negative effect on developing countries' development strategies and on current efforts to attain the MDGs. We hope you will consider the impacts of the current formula proposals seriously, and approach the NAMA negotiations in a way that will contribute to and not undermine the developmental needs of developing countries.

Yours sincerely,

FINAL
TRADE UNION¹ STATEMENT ON
THE AGENDA FOR THE 6TH MINISTERIAL CONFERENCE
OF THE WORLD TRADE ORGANISATION (WTO)
(Hong Kong, 13-18 December 2005)

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I. Introduction

1. The creation of decent work² must be the central priority of governments, and the main element of a truly development-focused round of trade negotiations. Trade should be an important factor in the attainment of development and the creation of decent work, but for many workers the international trading system is either irrelevant or, worse, is undermining this objective. In developing countries and industrialised countries alike, agriculture, job security and decent livelihoods are seen to be menaced rather than enhanced by unfair trade, while multinational companies threaten to shift production to where workers' rights are denied and labour is cheap. For hundreds of millions of workers around the world, there is a deep loss of confidence in the international trading system that governments must address at Hong Kong and beyond.

2. The end of the Agreement on Textiles and Clothing (ATC) had been a known fact ever since the end of the Uruguay Round in 1994. Yet nothing had been done to

¹ This statement has been endorsed by the GLOBAL UNIONS GROUP, the WORLD CONFEDERATION OF LABOUR (WCL) and the EUROPEAN TRADE UNION CONFEDERATION (ETUC). The Global Unions group is made up of the International Confederation of Free Trade Unions (ICFTU), the Trade Union Advisory Committee (TUAC) to the OECD, and the Global Union Federations (GUFs) which represent their respective sectors at the international trade union level (UNI, IFBWW, IUF, IMF, PSI, EI, ITGLWF, IFJ, ITF and ICEM).

² Decent work comprises employment, respect for rights at work (including trade union rights to freedom of association and the right to collective bargaining), social protection and social dialogue, according to the definition of the ILO.

prepare for the dimensions of the shock, demonstrating the serious internal inconsistencies within the World Trade Organisation (WTO) and the whole multilateral system of economic and financial institutions. On the one hand, the trade regulations negotiated and then enforced through WTO procedures inevitably have a major impact on employment, workers' rights and poverty worldwide. On the other, there is a vacuum at the heart of the organisation due to its delinking from the institutions of the United Nations that are responsible for social development, labour, health, women and the environment, and resulting from its closeness to the Washington consensus-driven policies of the international financial institutions.

3. The undermining of decent work, with a chaotic impact on the international division of labour, is exemplified by China's assertive entry into major world markets without having to meet even the most basic ILO standards. This is destabilising the world trading system and having a negative impact on employment worldwide, especially in the labour-intensive sectors of developing countries. In the textiles and clothing sector alone, tens of millions of jobs will be lost around the world as production is transferred by multinational companies to China on a massive scale. Governments in many other developing countries are rushing to increase exploitative production in export processing zones (EPZs), with negative effects on EPZ workers most of whom are women, in a last-ditch effort to compete.

4. Expansive promises about the potential of trade liberalisation through the WTO have failed to materialise in terms of more and better jobs and higher growth either worldwide or in developing countries. Indeed, many developing countries that undertook trade liberalisation in line with the policies recommended by the WTO, as well as by the international financial institutions, found deindustrialisation to be the outcome as their domestic industries collapsed in consequence. Among the scarce references to employment issues in the 2004 *World Trade Report*, all the WTO seemed able to say was that representative workers' organisations were part of the problem, because of trade unions' ability to organise their members to resist blind deregulation of the world trading system.

5. Agriculture, the world's single biggest employer, and the rural livelihoods which depend on it, are being undermined through subsidized exports dumped on the world market, a persistent global crisis of over-supply and falling prices in key primary commodities and a trading system which is enhancing the predominance of global agri-food traders, processors and retailers to the detriment of workers and small producers. Rural poverty is one of the principle causes of massive, unregulated migratory labour flows that expose the most vulnerable social groups to dangerous living and working conditions.

6. While a multilateral trading system is capable of providing much greater protection of the interests of small and marginalised countries than bilateral negotiations with larger powers, the WTO needs deep-seated reforms if it is to fulfil that potential. It is vital that the global governance system, which gives undue power and importance to the WTO, the World Bank and the International Monetary Fund, be rebalanced so that social and environmental issues are given equal consideration to trade and the economy. The recommendations of the World Commission on the Social Dimension of Globalisation provide strong support to the long-standing demands of the international trade union movement for coherence between the various multilateral institutions in the world today, on the basis of decent work, respect for human and workers' rights and other social standards, higher and more equitable growth and an end to poverty. In this year when the UN's Millennium Development Goals (MDGs) will be subject to review by the UN General Assembly, trade unions and many other organisations around the world are calling for trade justice as part of the Global Call to Action against Poverty (GCAP) with the aim of achieving major progress in the battle to end world poverty, injustice, discrimination and gender inequality. For trade unionists, the creation of decent work is at the

centre of this agenda. The recommendations of the World Commission and of GCAP must be taken up by world trade ministers in the preparations for the 6th WTO Ministerial Conference, along with the range of recommendations provided in this trade union statement on the agenda for the Hong Kong Ministerial.

II. Transparency, Coherence, Democracy and Consultation at the WTO

7. In order to achieve a more equitable, inclusive and democratic decision making process in the trade negotiations, WTO working methods need to be transparent and democratic, giving due regard to the views of smaller and poorer countries. The negotiation processes should ensure the effective participation of all members at all stages of negotiations, including in informal settings. Developing country WTO members should continue to enhance their co-operation and co-ordination as they have been doing since Cancún through the G-20, G-33, G-90 and similar such processes, and which is greatly improving internal WTO transparency. Transparency is needed in domestic decision-making processes relating to trade as well.

8. The WTO must be made more transparent and accessible for trade unions and other representative and democratic organisations. A formal consultative process should be established at the WTO to ensure that trade unions, non-governmental organisations and other representative elements of civil society can present their views to WTO Committees, Working Groups, Negotiating Groups, the General Council and Ministerial Conferences. Genuine processes are further required at national level for consultation of trade unions and other representative civil society organisations on trade issues, with better research and public provision of data (disaggregated by gender) to facilitate such involvement.

9. Trade unions have long called for reform to the WTO's dispute settlement procedure, a call echoed in the Sutherland report in January 2005 on "*The future of the WTO*" which recommended opening disputes panel and appellate body hearings to the public, and developing criteria and procedures for handling amicus curiae submissions. The WTO must further give a full role to the UN agencies competent in areas such as health, labour and environment in its disputes procedures.

10. Coherence across the multilateral system is needed. The WTO should take full part in multilateral policy coherence initiatives as one of its measures to establish a closer link and co-ordination with the UN institutions, with reciprocal observer status. This needs to be part of a general initiative to increase the weight given to the recommendations of the UN and its specialised agencies, including the International Labour Organisation (ILO), the FAO and UNCTAD, in the actions and decisions of the WTO as well as the international financial institutions. The UN Inter-Agency Task Force on Gender and Trade should be involved as part of a process of engendering trade agreements, as envisaged in the Platform for Action adopted at the UN 4th World Conference on Women in Beijing in 1995.

11. Social, gender and environmental concerns must be incorporated fully throughout WTO mechanisms and structures. The country reports and debates under the Trade Policy Review Mechanism (TPRM) need to include substantive analysis of sustainable development, including social development, a gender impact assessment, and respect for fundamental workers' rights, in which the ILO and other relevant agencies should be fully involved. WTO members should themselves include such concerns in the reports they submit to the TPRM meetings, as some have already begun to do.

III. Advancing Development and Decent Work for a Decent Life

12. The impact trade has on the level and quality of employment determines whether trade contributes to or detracts from raising living standards, achieving development and eliminating poverty, since the level of decent work is fundamental to the realisation of all these goals of sustainable social and economic progress. Yet the employment consequences of trade are virtually always neglected in trade negotiations, despite these self-evident linkages. This situation needs to change fundamentally so that trade negotiations take place on the basis of a serious and prior analysis of their impact on the level and stability of employment (particularly in labour-intensive sectors), respect for fundamental workers' rights, equality between women and men, good working conditions, social protection and access to quality public services.

13. Comprehensive ex ante impact assessments of the implications of trade agreements for food security, employment, social conditions, rights, gender and development are therefore needed before they are negotiated or concluded. Such analyses should be conducted on both a multilateral and a national basis, with attention to the impact of trade both on sectors directly affected and on poor and vulnerable workers, most of whom are frequently women. Only with such comprehensive analyses will governments become fully aware of what the implications of signing agreements will be. In addition, sustainability impact assessments (SIAs) should be undertaken at a multilateral as well as national or regional level, with an expansion of the scope of SIAs to cover decent work, gender impact and social priorities.

14. The creation of decent jobs and decent working and living conditions is fundamental to achieving sustainable economic development and eliminating poverty. Yet some governments continue to seek a short-term competitive advantage in international trade through the violation of fundamental workers' rights – undermining their own long-term development prospects and forcing other countries to follow suit. The WTO must address this situation by implementing the steps outlined below.

15. At the 6th WTO Ministerial Conference, all WTO members must renew their formal commitment to uphold core labour standards.³ To enable a full examination of the relationship between trade, development and decent work, the WTO must establish a formal process to examine the employment and social impact of liberalising trade, including its synergies with fundamental workers' rights, implemented with the ILO. Such a body should also address wider trade-related social issues, such as the impact of trade policies on women. WTO members need furthermore to update the WTO agreements (including GATT Article XX and GATS Article XIV) to incorporate UN human rights standards including the core labour standards of the ILO.

16. The women who constitute the overwhelming majority of workers in export processing zones (EPZs) are the primary victims of the exploitation that characterises EPZs. The provision by governments of such cost-cutting measures, and other forms of privileged treatment for export production, is a distortion of WTO rules (particularly when foreign enterprises are treated better than domestic ones) as it means that production for domestic markets is taking place on "less favourable"

³ Core labour standards, also known as fundamental workers' rights, are the internationally-recognised fundamental human rights for all workers, irrespective of countries' level of development and negotiated at the ILO, 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.

terms than that of exports. The 6th WTO Ministerial Conference should adopt a clarifying statement to the effect that the weakening of internationally-recognised fundamental workers' rights in order to increase exports is an illegitimate trade-distorting export incentive that is not permissible under WTO rules.

17. The particularly serious problems in the textiles and clothing sector may require the use, in the short term, of safeguard measures to dampen the shock. They point to the importance of adopting an emergency Policy Coherence Initiative in Hong Kong. Its remit would be to study growth, exports and employment in the textiles and clothing sector after the end of the quota system, with attention to differential gender impact; to put in place a comprehensive industrial and trade policy approach aimed at coping with the impact of the end of ATC in every country where the textile and clothing sector is significant, with different and specific measures tailored to the situation in each case; and to provide international assistance to assist the developing countries concerned (particularly the least developed countries) accordingly.

18. WTO members need to acknowledge the crucial importance of agriculture as the world's largest employer by specifically targeting agricultural workers and the rural poor in strategies to eradicate poverty. Employment promotion must be undertaken to combat rural under- and unemployment and environmental degradation, by focusing on the creation of decent jobs in rural areas for agricultural workers and those in related employment.

19. The 6th WTO Ministerial Conference should take the decision to organise a first-ever meeting of Trade and Labour Ministers, with the participation of trade unions and employers' organisations.

20. In both industrialised and developing countries, governments must begin to provide adequate levels of adjustment assistance for working women and men displaced by trade, in order to ensure a fair distribution of the benefits and costs of trade liberalisation – to achieve equity between groups within countries, equity between men and women and equity between countries.

21. In line with the objective of trade justice called for in the Global Call to Action against Poverty (GCAP), urgent agreement is needed on a range of issues of benefit to developing countries, complemented by greatly enhanced debt relief and a substantial increase in development assistance.

22. The 6th WTO Ministerial Conference should amend the Trade-Related Intellectual Property Rights (TRIPS) Agreement, or adopt a clarifying statement, to ensure that all developing countries can achieve access to low-cost medicines in case of health need such as HIV/AIDS treatment, as originally envisaged in the statement on TRIPS adopted in Doha. The statement should support compulsory licenses with fair royalties, to ensure the affordability of generic medicines. In the longer term, changes are needed to the TRIPS Agreement to eliminate the requirement for WTO members to amend their patents laws in a way that constitutes a threat to affordable generic medicines. WTO member states must further ensure that bilateral and regional trade agreements do not undermine affordability and so access to generic medicines.

23. Decisions on special and differential treatment should enable developing countries (particularly the least developed) to have adequate flexibility in their implementation and interpretation of the various WTO agreements when favourable to their economic and social development, with clarification of their capacity to extend their WTO implementation deadlines on a multilateral (not a case-by-case) basis. At the same time, the anomaly that some high-income countries are still classified as "developing" under WTO rules needs to be addressed.

24. An evaluation of non-tariff barriers to developing country exports should be undertaken to ensure they are reasonable requirements for consumer and environmental protection, with the involvement of the specialised UN agencies as well as trade unions and other civil society groups concerned, and provision of technical assistance so that developing countries can attain such standards.

IV. The Non-Agricultural Market Access (NAMA) negotiations

25. The current push for deep liberalisation in non-agricultural product markets without parallel progress on development and effective protections for workers' rights is unlikely to yield the promised benefits for workers in developing or in industrialised countries. The challenges facing least developed countries are even more acute. At both multilateral and national levels, a rigorous assessment needs to be conducted of the impact of NAMA negotiations on development, decent work and people living in poverty, with the full involvement of trade unions representing workers that will be affected by the outcome. Specific attention is needed to labour-intensive sectors, including analysis of the gender impact. Governments should not make deals in such negotiations except on the basis of a clear picture of the likely implications, such that they can implement industrial policies to attain their development and employment goals.

26. Provision of national and international funding is needed to support employment adjustment assistance when jobs are lost as a result of trade liberalisation.

27. Both developing and industrialised countries need to have the policy space to undertake legitimate domestically-based industrial development strategies. NAMA negotiations should not overly restrict that flexibility, in making commitments on how many tariffs will be bound or at what level. However, countries with import markets of interest to least developed countries should address problems of tariff escalation and tariff peaks to enable them to process their own primary commodities. In general, improved market access for developing countries is needed, particularly for least developed countries, parallel with progress on respect for fundamental workers' rights in order to ensure that developing country workers benefit.

28. A clause is needed in the NAMA negotiations that would enable any developing countries (particularly least developed countries) that do bind their tariffs, to be able to alter that commitment on grounds of justified social and development purposes.

29. Developing countries, particularly the least developed, should have the right to retain higher tariffs if they so wish, in line with the principle of "less than full reciprocity" contained in the Doha Ministerial Declaration. Any decision to reduce tariffs by developing countries should be taken on an optional basis as a strategic policy decision, not as a requirement under the NAMA negotiations.

30. Similarly, in any decision on rapid advancement of NAMA negotiations under a "sectoral approach", developing countries should not be put under pressure to take part where they consider that it is not in the interests of their economic development.

31. Preference erosion stands to be a serious problem for many developing countries currently benefiting from agreements such as the Cotonou Convention or the Africa Growth and Opportunity Act (AGOA). Full impact assessments are needed in such cases, with time for adjustment before any changes to preferential regimes are implemented, and provision of adjustment assistance to assist the countries concerned to come to terms with such changes.

V. Services

32. The current negotiations under the General Agreement on Trade in Services (GATS) risk undermining the universal service obligations of governments and their capacity to regulate. Such obligations must not be jeopardised by private sector competition under WTO disciplines and governments must preserve full responsibility and accountability in the area of such services. Therefore, the terms of the GATS agreement should be amended to exclude public services (above all, education, health and essential public utilities such as postal services and telecommunications) including at sub-national levels of government, and socially beneficial service sector activities, from all further GATS negotiations. Across all GATS negotiations, provision should be made on a horizontal basis for access to universal services at uniform and affordable prices. Such universal public provision is also vital in order to move towards achieving the Millennium Development Goals (MDGs). It is especially important because any reduction in public services tends to have its most negative effects on women through reduced access to services such as health care, child support, maternity assistance and so forth. The above conditions and provisions are a prerequisite for continuation of the GATS negotiations.

33. The conditions of secrecy under which the GATS negotiations have been taking place must be brought to an end, with publication of the details of the “requests” and “offers” under negotiation. All WTO members must be entitled to take part in consultations and negotiations, regardless of whether they have submitted a GATS offer or of the content of that offer.

34. In conformity with Article XIX of the GATS, a full development, employment and gender assessment of trade in services is needed both in overall terms and on a sectoral basis. This should be conducted immediately and concluded before the completion of the current negotiating round as a basis for any commitments that are made by governments.

35. The current efforts by some WTO members to establish “benchmarks”, stipulating minimum levels of GATS liberalisation, undermines the principle of a “positive list” approach to GATS (by which countries are free to indicate which sectors they want to include for GATS commitments) and should be ruled illegitimate in further GATS negotiations.

36. Article XXI of the GATS agreement should be amended to include an explicit clause to enable governments to withdraw or diminish their GATS commitments so that they can improve their universal services, on grounds of social or developmental need, without any risk of challenge under WTO rules that could require them to pay compensation (so preventing foreign service suppliers from using the WTO as a tool to maintain market access).

37. Article I.3 (b) and (c) of GATS should be supplemented by a formal statement to make it absolutely clear that ‘the exercise of governmental authority’ allows WTO members to maintain public services (defined by national governments as appropriate to their conditions) without any threat of legal challenge that could require them to open up these sectors to competition or to reduce public support (including through cross-subsidisation) to such sectors.

38. GATS Article VI.4 should be deleted or revised in order to protect effectively the ability of governments to regulate and to enact domestic regulatory measures (in accordance with the preamble of the GATS) without possibility of legal challenge. A clarifying statement should be adopted that social and environmental concerns have primacy over the principle of free trade and that such regulations cannot be subject to any ‘necessity test’ under WTO disciplines based on a principle of ‘no more burdensome than necessary’.

39. With regard to “Mode IV” (i.e. temporary cross-border movement of natural persons), the trade union movement opposes any increase in clandestine migration to the detriment of workers and communities both in the countries of origin and of destination. We underline the far greater desirability of orderly arrangements for permanent migration where necessary, including full measures to guarantee migrant workers equal rights, encourage their full integration (including through acquired rights to permanent residence and citizenship), prevent exploitation by employers and protect them against all forms of discrimination. Temporary migration such as that contemplated under “Mode IV”, by contrast, does not enable such rights to be defended effectively and leaves the men and women migrant workers concerned extremely vulnerable to exploitation. The competences and structure of the WTO do not enable it to regulate migratory movements, including those on a temporary basis such as under Mode IV, in a manner that protects migrant workers’ rights. If any governments do nonetheless make Mode IV offers that would include the temporary movement of workers, these must be agreed with the trade unions concerned on a prior basis and ensure: observance of core labour standards, national labour law (incorporating and going beyond those standards) in the country where the service is delivered, and existing collective agreements in the host country by all parties, with regard to all workers concerned; full involvement of the ILO; protection of the workers concerned against all forms of discrimination and exploitation; and guarantees of the remittance of their contributions to social security and insurance schemes. In the absence of such conditions, GATS negotiations and commitments under Mode IV should not go forward.

40. The cultural diversity of WTO member countries must not be undermined by GATS negotiations, rules or commitments that jeopardise protections of their cultural identity.

41. Regulations to ensure the continued existence of quality retail trade services and of smaller companies that would be unable to compete with large enterprises in a deregulated environment must not be dismantled through the GATS negotiations.

VI. Agriculture and Food Security

42. Ten years of liberalised trade in agricultural commodities under the WTO Agreement on Agriculture have failed to yield the promised benefits. In many countries, food security has been progressively undermined. UN statistics show a dramatic surge in the export of many basic foodstuffs to countries which were formerly capable of meeting these needs through local production. The impact on rural employment has been severe, and is one of the primary factors generating massive global labour migration. The international trade union movement insists that trade agreements must support food security and not undermine it. Where they fail to do so, they need to be revised in the light of international human rights instruments which establish the right to adequate levels of nutritious food at affordable prices as a fundamental human right.

43. The exorbitant levels of agricultural subsidies in most industrialised countries impose heavy costs, generally fail to target subsidies to the poorest farmers and boost the incomes of large wealthy agro-businesses instead. Furthermore, subsidised agricultural exports have artificially depressed prices in many developing countries, leading to the destruction of farms and rural employment. Given existing gender inequalities regarding property rights, access to knowledge and technology, this often has a particularly serious impact on the women who constitute the majority of rural producers in parts of many developing countries.

44. Therefore, the trade union movement proposes the elimination of all forms of agricultural export subsidies, with the setting of an early end-date in Hong Kong for all such subsidies to be terminated. Other agricultural subsidies need to be reduced

and reoriented towards sound rural development through employment creation, the eradication of rural poverty, the improvement of employment conditions and the promotion of animal welfare and ecological sustainability. All these measures must be focused on the level and conditions of employment and accompanied by initiatives aimed at providing rural workers with new employment opportunities. In view of the importance of cotton to several very poor developing countries, all trade-distorting cotton subsidies should be phased out as quickly as feasible.

45. Increased national and international efforts are required to address the often serious abuses of workers' rights and working conditions in the rural sector, including on plantations and in other forms of export production, with particular attention to violence against rural trade unionists and to women's rights. Concerted, coordinated efforts must be undertaken to eliminate child labour in agriculture, the sector in which it is most prevalent, and to implement substantial improvements in occupational health and safety for rural workers.

46. Strong rights for special and differential treatment concerning agriculture in developing countries (including their requests for special products and a special safeguard mechanism), especially the least developed countries, are needed so that they have the requisite flexibility to defend and enhance domestic agricultural production, in particular to improve food security, food safety, poverty eradication and land reform, and to take other measures as necessary to improve the livelihood of agricultural workers and low-income farmers and to provide safe and decent jobs, with particular attention to women.

47. Adequate technical assistance should be provided to poorer developing countries to ensure their agricultural production for domestic consumption as well as exports can increase. At the same time, developing countries need increased stable and predictable market access to industrialised country agricultural markets.

48. Article 27.3(b) of the TRIPS Agreement should be deleted, or amended to exclude patents on life forms. The mandated review of this article must be undertaken as an urgent priority and in a transparent and comprehensive process involving relevant UN agencies and all affected, and its implications for development and food security reviewed in the light of UN human rights instruments.

VII. Trade Facilitation and the other "Singapore issues"

49. In general, the international trade union movement welcomes the fact that apart from trade facilitation, "Singapore issues" such as investment and competition policy are no longer on the table on the basis of the terms of reference adopted prior to Cancún. There is a continuing need for a strong intergovernmental framework of regulation of investor responsibilities with a view to preventing potential abuse of business power and violations of workers' rights, and that would implement the terms of the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy and the OECD Guidelines for Multinational Enterprises. However, such regulation was not on offer in the proposals that had been made for negotiations at the WTO.

50. Concerning trade facilitation, we would emphasise the need to ensure that the existing competences of UN specialised agencies such as the International Maritime Organisation (IMO) and the International Civil Aviation Organisation (ICAO), which deal with trade facilitation under the same roof as the regulation of safety and security, are not undermined by WTO negotiations that aspire to establish "least trade restrictive measures".

51. Furthermore, WTO negotiations must not require developing countries (particularly the least developed) to invest in costly modern customs equipment and information technology. Such requirements must not become subject to WTO dispute settlement disciplines. On the other hand, many developing countries would

clearly benefit from improved infrastructure in these areas and hence large-scale technical assistance should be provided to help developing countries, particularly LDCs, to upgrade their trade facilities.

VIII. Environmentally Sustainable Development at the WTO

52. Sustainable development needs to be incorporated effectively into every aspect of the WTO's work, requiring a clarification in the negotiations on Multilateral Environmental Agreements (MEAs) that MEAs, such as the Biodiversity Protocol, take precedence over WTO rules.

53. The 6th WTO Ministerial Conference should further adopt a statement to strengthen the precautionary principle in WTO mechanisms, to ensure that consumers' or workers' health and safety can under no circumstances be threatened by WTO negotiations or commitments, or by the rulings of WTO bodies such as disputes settlement panels.

54. In the negotiations on fisheries, harmful fisheries subsidies should be reallocated to areas that would promote sustainable and responsible fisheries practices, address the social aspects of restructuring and improve the life and working conditions of fishers.

55. Forest certification systems represent a model in which labour standards and the promotion of sustainable economies and trade work to complement one another, showing that sustainability requires the total integration of economic, social, and environmental concerns.

IX. Conclusions

56. The Global Call to Action against Poverty (GCAP) is demanding trade justice, which requires decent work, development, gender equality, respect for fundamental workers' rights, social protection and access to quality public services. Yet it has become increasingly clear that the present structure of the WTO is ill-suited to coping with the complexities of trade's impact on development and the creation of decent work. Access to a decent life is therefore denied to millions of human beings. Such deficiencies were well-addressed by the recommendations of the World Commission on the Social Dimension of Globalisation for a range of initiatives to provide coherence between the trade activities of the WTO and the rights, development, justice and equity that are promoted by the agencies of the UN, including the ILO. Trade Ministers preparing for Hong Kong must shift their attention from an agenda focused narrowly on trade liberalisation and instead make the WTO agenda relevant to the fight to end poverty and create decent work and a decent life for all. Thereby trade liberalisation could start to fulfil its potential to achieve the goals of full employment and rising living standards enshrined in the articles of agreement of the WTO.
