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Arab NGO Network for Development
شبكة المنظمات العربية غير الحكومية للتنمية

A Just, Rights-Based Plurilateral Trading System

A statement by the Arab NGO Network for Development on the occasion of the 9th Ministerial Conference of the World Trade Organization (WTO)

Indonesia, Bali December 3, 2013: CSOs in the Arab region see that the WTO is embarking upon the same model of corporate-led globalization that has been promoted for the past 3 decades, when the global economy has witnessed “financial instability, food price volatility and hunger, as well as widened inequality and wage stagnation, limited global access to life-saving medicines, and an exacerbated the climate crisis.”¹ More specifically, since the late 1970s, policies promoting further market openness, including a reduction of trade tariffs, have involved a redefinition of the role of the State in the economy and its regulatory tasks, and have in effect heightened vulnerabilities, eventually leading to economic instability and crises².

The 9th WTO ministerial is scheduled to be held in Bali, Indonesia, on 3-6 December 2013. WTO member states envision the Ministerial as one that would revive the stalled Doha Development Agenda, of which a big part would benefit developing countries and help rectify the imbalances of the Marrakesh Agreement. On the other hand, civil society organizations (CSOs) in the Arab region perceive such negotiations as a source of pressure on developing countries to adopt a ‘corporate wish list’ that calls for further free trade policies which are not pro-poor and do not serve in the favour of the development needs of developing and least developed countries (LDCs)³. Rather, developed countries appear to be re-packaging the same liberalization and market access demands of their corporate interests to achieve new agreements at the Bali Ministerial.

At the Ministerial, a set of issues will be negotiated including on *Agriculture, Trade Facilitation (TF)*, along limited address to some *special and differential treatment (SDT)*. Ministers of developed countries have also kick started negotiations around the post-Bali agenda, including negotiations on expanding the Information Technology agreement as well as more services liberalization.

On Agriculture

The global financial and economic crises have resulted in the commodification of the agricultural markets resulting in food price volatility which harshly affected poor farmers of developing countries. Furthermore, signs of a looming worldwide food crisis significantly highlight the unfair food trading system, including trade in agriculture, whereby farmers and small businesses are exposed to floods of imports, often due to

1 http://www.huffingtonpost.com/deborah-james/whats-going-on-at-the-wto_b_4296523.html

2 http://unctad.org/en/PublicationsLibrary/tdr2013_en.pdf, p. 14.

3 <https://www.commondreams.org/view/2011/12/06>

unfair export subsidies in developed countries (tens or hundreds of billions annually) that the United States and EU have consistently refused to reduce. Within this context, a number of developing countries, led by India, have issued a G33 proposal calling for exemption from domestic subsidy commitments for food security initiatives whereby those governments would buy food at a higher price from local farmers and distribute it to vulnerable populations; a proposal challenged by the United States that have instead shifted the debate towards a potential “Peace Clause” where countries would not file disputes against each other in the WTO over the rules in question⁴. Proposals also include demands for “special and differential treatment” to developing countries recognizing that they cannot succeed under the same rules as the industrialized nations⁵. In this respect, we call for:

- ⌚ Undertake an impact assessment of the current course of negotiations in the agricultural sector, especially that domination of Multinational Corporations (MNC)s on the global food sources have been increasing
- ⌚ Ensure the right of developing countries to take measures to protect the poor and small farmers in any negotiations on Agriculture, including through raising tariffs as well as subsidizing small farmers’ agricultural production. In this regard, the Bali Ministerial should be centered around the G33 proposal for Food security.
- ⌚ Strengthen negotiations on SDTs at the Bali Ministerial, and conclude with a strong SDT package that would essentially protect the course of development and interests of LDCs.

On Trade Facilitation

An agreement on TF would require developing countries to harness their resources, including the financial and technological, in facilitating more imports from developed countries. Furthermore, TFs would place excessive implementation, regulatory, human resources, and technological burdens on developing countries. This would diminish the country’s ability to spend on national health and education and other development objectives, and would also flood the markets of developing countries with imports, especially given that developed countries have been unwilling to commit to [providing resources for poor countries](#) to modernize their facilities. In this context, we highlight the following:

- ⌚ The need to harness trade for development purposes, rather than promote trade per se.
- ⌚ Tailor trade policy in order to achieve globally-shared development goals through the facilitation of countries’ use of trade policy for their own development needs, and more importantly, pursuant to their level of development at the national level.

4 http://www.huffingtonpost.com/deborah-james/whats-going-on-at-the-wto_b_4296523.html

5 http://www.democraciaycooperacion.net/IMG/pdf/Sign-on_TISA_July_2013_ENGLISH_Final.pdf

Post-Bali Agenda: Negotiations on Information Communication and Technology and on Trade in Services (TISA)

Developed countries have initiated plurilateral discussions over a Trade in Services Agreement (TISA) as well as on an expanded Information Technology Agreement (ITA), as part of their post-Bali agenda. A potential TISA would necessarily mean more deregulation and deepened liberalization of many private and public services in developing and developed countries, including essential services such as “health care and insurance, water and energy provision, postal distribution, education, public transportation, sanitation”⁶, among others; a matter which poses a great threat on the access of the poor to such services. Similarly, given that the ITA’s potential benefits have failed to materialize for the majority of workers in participating countries, expanding the ITA will likely benefit Transnational Corporations (TNCs) in countries with advanced technological development, particularly given patent monopolies and the lack of technology transfer. Moreover, such expansion would erode policy space for the majority of developing countries, and would result in the loss of revenues from tariffs due to further ITA tariff reductions.

In light of this, we highlight the following:

- ⌚ Developing countries in general and Arab countries in particular, need to be allowed the policy space for longer-term plan for dynamic use of tariff policy in support of development.
- ⌚ Industrialized countries ought to consider whether an ITA would serve in the interest of developing countries, particularly on their manufacturing capacities.
- ⌚ Essential services to citizens, especially those that fall under basic rights, should not be negotiated over in unaccountable trade negotiations, including the TISA.
- ⌚ The post-Ministerial agenda should focus more on applying permanent changes to the existing imbalances in the WTO system that would essentially safeguard the right to development and food security.

Finally, given the CSOs’ role in monitoring negotiations and highlighting the shortcomings entailed to them in terms of the realization of economic and social rights of citizens of developing and least developed countries, the Arab NGO Network for Development emphasizes the following:

- ⌚ WTO proposes negotiations for discussion with the various stakeholders including farmers, workers, and CSOs, so that people would have a say in what may influence their social and economic rights.
- ⌚ In parallel, CSOs need to collaborate and exert more pressure on their trade ministers and governments to ensure that such liberalization tendencies do not adversely impact rights-based development.
- ⌚ WTO member countries should ensure harmony between human rights and economic policies, both internal and external.
- ⌚ WTO should ensure that all LDC countries that are in the process of accession, including Yemen, are accorded transition periods consistent with TRIPS Council decisions adopted on 11 June 2013.

⁶ <http://ourworldisnotforsale.org/en/signon/international-civil-society-sends-letter-governments-opposing-proposed-trade-services-agreeme>

The Arab NGO for Development (ANND) is a regional network, working in 12 Arab countries with seven national networks (with an extended membership of 200 CSOs from different backgrounds) and 23 NGO members. ANND was established in 1997 and its headquarters is located in Beirut, Lebanon since 2001. The Network predominantly focuses on development policies in the region with particular emphasis on social and economic rights. Of ANND's interventions in the region are trade and economic liberalization policies and their social and economic implications from a rights-based approach.