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WTO talks breakdown: Governments must not fail on development and jobs

Brussels 03 July 2006 (ICFTU OnLine): Following the breakdown of the trade negotiations on Saturday at the WTO, the next steps in the process must shift the focus to an outcome that delivers on development and employment.

The talks failed mainly because of the continued insistence of industrialised countries on far-reaching access into developing countries' markets for industrial products, while failing to address the inequities of trade in agriculture.

"It should now be clear to everyone that if there is to be any progress towards an agreement, it must demonstrably meet developmental needs and should not ask developing countries to trade off access to their industrial markets against hypothetical benefits in agriculture," said ICFTU General Secretary Guy Ryder.

Deep tariff cuts in NAMA would lead to a large number of job losses in developing countries and to high adjustment costs. It would also render developing countries unable to implement trade policies in the future to develop their economies and meet the needs of their people.

"This would be an unacceptable outcome, in view of the development mandate that the negotiators were given in Doha," added Guy Ryder.

"No sustainable solution can involve the worsening of poverty and unemployment in countries that already face a major challenge in creating decent jobs for the unemployed and underemployed. Moreover, it remains absolutely true that as the ILO Constitution states, poverty anywhere is a danger to prosperity everywhere - in other words, an agreement that undermines development in developing countries would undermine the situation of working people in the industrialised countries as well."

Any acceptable way forward must avoid imposed and unbalanced solutions. Rather, a bottom-up process based on inclusive consultations should be implemented, which ultimately should lead to a balanced and development-friendly agreement.

The ICFTU therefore considers it is essential that : -

- * The WTO should not put pressure on developing countries by setting unrealistic deadlines when respective positions of WTO members are still far apart.
- * Apparent compromises that would undermine the developmental impact of the round must be rejected; agreement can only be achieved through broad, open consultations and discussions.
- * Members must not adopt or promote a NAMA package such as that presently under negotiation, which fails to respect the principle of "less than full reciprocity" for developing countries and would be detrimental to their prospects of development. Developing countries must be able to apply a tariff reduction that is in line with their stage of development, in conformity with the agreed principle of less than full reciprocity (requiring therefore a coefficient far higher than those figures currently proposed by the US and EU).
- * The EU and the US must make genuine concessions on agriculture.
- * On GATS, vital public services (education, health, water and so on) must not be subject to negotiation. Any agreement on services must explicitly say that governments may take any measures or regulations needed to improve access for poor and working people.

The potentially devastating effect on employment of NAMA in developing countries is documented in the ICFTU's report, "NAMA SIMULATIONS FOR LABOUR INTENSIVE SECTORS IN DEVELOPING COUNTRIES", at:

<http://www.icftu.org/www/PDF/ICFTUNAMAtariffsimulations.pdf>

The ICFTU represents 155 million workers in 241 affiliated organizations in 156 countries and territories. ICFTU is also a member of Global Unions: <http://www.global-unions.org>

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