

Position paper for the WTOs 9th Ministerial Conference in Bali, December 2-6, 2013,
The Norwegian Forum for Environment and Development (ForUM)

With the still ongoing economic, climate and food crises it has become clear that exaggerated and aggressive focus on trade liberalization does not promote human well-being for all. After twelve years of negotiation and several instances of impasse, the WTO has not been able to conclude what was supposed to be a “development round”. We therefore now suggest that one concentrates on negotiating a new multilateral trade agreement that benefits the world’s poor and does not overstretch Earth’s environmental limits. This position paper focuses on the upcoming WTO’s 9th Ministerial Conference in Bali and identifies a number of policy areas in which the WTO needs to change.

The “new deal” in the WTO should include the right for developing countries to subsidize small scale farmers, building up food reserves and to support programs for food security; end agricultural export support for developed countries, delivering on “duty free quota free” access for LDCs, solving the cotton issue, and find solutions to the issues regarding implementation and special and differential treatment (SDT) raised by developing countries. The result should be an asymmetrical trade agreement in favor of the poor countries.

There is a need for a new direction in international trade policies. Sustainable development, human rights and creation of decent jobs must be the overall goals for international trading rules and agreements. It is necessary to abandon the belief that general liberalization is always a good, and replace this ideology with a much more nuanced analysis of when and how different and various policy measures can foster development through trade relations. Trade rules must facilitate, rather than hinder, efforts in any country to ensure sustainable economic development and financial stability, food security, creation of decent jobs for all who seek employment, and global access to health and medicines.

The Norwegian Forum for Environment and Development suggests that Norway brings the following issues to the WTOs ministerial conference in Bali:

Developing countries can have or regain the policy space they need to bring their countries out of poverty, and be granted sufficient means to regulate trade policy so that it can serve the interests of their own development strategy. All developing countries should have the flexibility to protect their own food and industrial production, employment and societies and use similar political means that the rich countries used during the period of their own industrial and social development.

Future generations in all countries shall be granted their right to political influence and democratic control of trade, welfare and environmental policies. WTO must ensure designing policies and mechanisms for reversing and renegotiating trade regulations to accommodate possible future challenges not foreseen today.

The WTO negotiations must be modified to become more rules based, open and transparent. Undemocratic practices such as limited room meetings and confidential documents must stop. Negotiations must be accessible to all, with sufficiently long time frames to consider the consequences of different suggestions, and modalities must be based on active consent.

All trade rules under the WTO must be aligned with UN conventions and if in conflict, the latter should prevail.

Specific issues for the 9th WTO Ministerial Conference in Bali:

Food security

Developing countries should have the right to raise tariffs and use several other measures to protect farmers' livelihoods, rural development, and food security. The G-33 proposal to categorized governmental expenditure on public stockholding programs for food security purposes under the WTO's 'Green Box,' which contains no conditionality on subsidy limits, should be adopted in Bali.

The proposed text from November 16th with a 'peace clause' is not sufficient. It is not a real 'peace clause' and it will not secure the rights for developing countries to procure food from their producers for public stock-holding and distribution to the poor. A peace clause must guarantee that developing countries will not be brought in for the dispute settlement mechanism because of supporting production for national markets, small scale farmers and actions for national food security.

At the WTO's Ministerial Conference in Hong Kong the WTO members agreed to end export subsidies on agricultural products from the developed countries by the end of 2013. This has not been fulfilled. The Bali conference should bind all rich countries to fulfill their commitments to end export subsidies. Even if direct export subsidies is just a small part of the total subsidies on agricultural products from the rich countries which damage local markets in developing countries and the possibilities on the international markets for many agricultural products from developing countries, it would be an important first step to end them.

Trade facilitation

Trade facilitation might look as a technical and not controversial issue, but it is not. Since the founding of WTO rich countries have tried to get an agreement on trade facilitation and the three other so called 'Singapore issues': investments, governmental procurement and trade competition, into WTO. Most of the developing countries have rejected to take on these new issues.

If developing countries are forced to implement the proposed rules and procedures it adds on to the already uneven competitiveness of industries from rich and poor countries. Levelling the playing field might in this instance hamper domestic job creation and several developing countries are facing significant implementation costs.

- Developing countries should have the full freedom to decide if and when they want to implement the different rules and regulations for trade facilitation.
- There should be a permanent peace clause saying that no country will bring any developing country in for the WTO's Dispute Settlement Body for not following the agreement on trade facilitation.
- Rich countries should pay for the costs for developing countries to implement the parts of the trade facilitation agreement they decide to implement.
- All members of the WTO should also have the full right to make changes in their practice, rules and regulations for trade facilitation to secure national interests.

The Information Technology Agreement (ITA)

The Information Technology Agreement (ITA) which was concluded by 29 WTO member states at the Singapore Ministerial Conference in 1996 has by 2013 76 signatory countries. Many of the developing country members joined the agreement pre-maturely without capacity to take part in the export markets. As a result several have witnessed exponential increases in their trade deficit on ITA products since their membership in the ITA. For several developing countries members of the ITA, an adjustment of the current commitments would be necessary in the course of an ITA review process if they want to build (or rebuild) their domestic IT-industry.

- The Ministerial Conference in Bali should ask the ITA Members to establish special and differential treatment rules (SDT) under the ITA that reflect the consensus among WTO members in regard to establishing more effective SDT under the Doha Round, and integrating the principle of 'less than full reciprocity' into the ITA.
- No pressure should be put on any country to enter the ITA agreement.
- Developing country members of the ITA should have the freedom to decide which parts of the treaty they will follow.

The LDC package

The proposed package for the least developed countries (LDC's) should be adopted at the Bali Ministerial meeting, including 'Duty-Free Quota-Free' access for LDC's, an immediate and fair solution of the demand from the cotton producing developing countries, and a waiver for implementations in the Service sector for the LDC's.

The plurilateral negotiations on an agreement on services

29 countries are now negotiating a free trade agreement on trade in all kind of services. Norway is one of the countries taking part in these negotiations. The content of these negotiations are not known, not even for members of Parliaments. Such negotiations undermine the multilateral trading system and will put pressure on all members of WTO to enter this agreement if it comes into place. This is the same method as rich countries tried to use in the end of the 1990s with a Multilateral Agreement on Investments (MAI). After public pressure and opposition of some countries those negotiations collapsed.

The Bali Ministerial Conference should clearly denounce the ongoing plurilateral negotiations on services and ask the participating countries to stop the negotiations and the attempt to establish such a plurilateral agreement on investments.