

# Civil society calls on rich countries to stop imposing extreme demands at the WTO Sixth Ministerial

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**December 16, 2005 over 85 organisations issued a joint statement expressing grave concerns about the state of negotiations and the fact that the current agreements on the table are anti-development in nature. Read below.**

We the undersigned civil society organizations are concerned that the positions taken by major developed countries at the Hong Kong Ministerial conference are undermining development interests.

We are outraged by how the developed countries, particularly the United States and the European Union, are trying to use the Ministerial to aggressively push forward their agenda to open the markets in developing countries for the interests of their corporations.

At the same time the major developed countries are not making meaningful concessions to stop the dumping of their agricultural products in developing countries. This would be a very bad deal for development and no deal in Hong Kong is better than a bad deal.

The demands and concerns of developing countries in this round have repeatedly been sidelined. In fact it appears that pressures are being put on some developing countries during the Ministerial not to resist the market-opening proposals of the developed countries.

The WTO rules have perpetuated an unfair trading system which favour rich countries and their corporations, while laying developing countries open to ever more pressures to liberalise when their farmers and firms are not in a position to compete in the global economy. This is because the rules are unfair, and because the local firms are too weak to face the onslaught of giant foreign firms.

The results of the unfair trading system include the loss of livelihoods and incomes of small farmers, loss of jobs due to de-industrialisation in many countries, continued obstacles to access to markets in rich countries and continuous decline in commodity prices and the poverty that is linked to that. Particularly affected are women in farming and working communities in developing countries.

The Hong Kong Ministerial meeting, coming at a strategically important moment in the Doha negotiations, might have had the potential to correct some of the imbalances and turn the corner towards development. But it looks as if the potential for doing something positive has faded or disappeared.

· Agriculture remains the sector containing most trade distortions and the Uruguay Round's promise of liberalisation in the rich countries has yet to be fulfilled. In the current negotiations the offers by the US, EU and other developed countries proposals are grossly inadequate and unless these offers are improved significantly, there will be little (if any) real cuts in domestic support which goes to

production for export.. The end date for export subsidies is yet to be fixed, though they should have been eliminated long ago. While developed countries stubbornly refuse to deal with dumping or end their protection, developing countries are being pressured to reduce drastically their own agricultural tariffs, thus laying their small farmers open to more unfair competition from artificially cheapened import.

- The inclusion of trade in services in the Uruguay Round came about because of the promise by the developed countries to the developing countries that they would reduce their protectionist measures in the Agriculture. This promise has not been fulfilled. However the EU is leading the charge of developed countries by making outrageous demands on developing countries to further open their markets in industrial goods and services. Developed countries, led by the EU, have made unacceptable proposals on services that would fundamentally change the GATS architecture to remove the flexibilities and policy space currently available to developing countries. These include qualitative benchmarking, sectoral initiatives, and mandatory participation in plurilateral negotiations. These changes would lead to conditions where developing countries will be less and less able to choose whether to liberalise and if so in which sectors, to what extent and at which time. The viability of local services firms will be threatened.

- In NAMA (non agricultural market access), developing countries are being asked to accept the drastic “Swiss formula” with a low coefficient of 10 to 15, implying that all tariffs will drop to below 10%. This will cut the industrial tariffs of developing countries very steeply. It will threaten the survival of domestic industries and the jobs of millions of workers. It will also threaten the prospects of domestic industrial development in affected developing countries, with massive job losses and unemployment.

To make matters worse, attempts are also being made by the major developed countries to offset the embarrassment of not achieving progress in modalities, by putting on a “spin” that the developing countries, or at least the LDCs, are getting some benefits in advance through a “development package.” This package looks unlikely to contain any real benefits of significance to developing countries, some of them containing promises of aid which is in the form of loans. This is a “face saving” exercise to disguise the fact that the Doha negotiations have not lived up to their “development” name but instead have taken an anti-development turn.

We therefore demand that the major developed countries:

- Stop pressuring the developing countries to further liberalise their agriculture, industrial goods and services sectors and withdraw their demands to do the same;
- Allow developing countries to take necessary measures to protect their domestic firms and farms so as to enable the developing countries to have their own policy space to meet their sustainable development objectives.
- Substantially increase their offers in agriculture by committing to cut total trade-distorting domestic subsidies to levels below the current or planned applied levels, and agree to serious disciplines on the Green Box subsidies so that overall domestic support is really decreased; agree to end all export subsidies by 1 January 2010 or earlier; immediately end cotton export subsidies and eliminate domestic support for cotton by 2006.
- Permanently withdraw proposals for numerical targets and benchmarking in services and withdraw Annex C on services, especially its clause on mandatory participation in plurilateral negotiations, and its clauses on modal and sectoral negotiations and the framework on government procurement.

- Allow developing countries the flexibility to choose whether and to what extent to liberalise their industrial sectors.
- Agree to genuine development measures, including resolving the Special and Differential proposals and the implementation proposals of developing countries as soon as possible and at least before the settlement of the market access issues; and the inclusion of genuine and effective SDT provisions in the negotiations in agriculture, NAMA and services.
- Agree to an assessment of the impact of their proposals on employment, gender, environment and natural resources, poverty and equity.

If there is failure in Hong Kong, this will be because developed countries have not shown willingness to deliver on the above demands and it will have to be these countries that have to take responsibility for the failure of the WTO once again to make the necessary changes to the unequal world trading regime. In any case, the developing countries should not be asked once again to sacrifice their development by accepting the inadequate offers and extreme demands of developed countries. We are of the view that no deal in Hong Kong is better than a bad deal.

Endorsed By:

1. Third World Network (TWN)
2. Africa Trade Network (ATN)
3. Arab NGO Network for Development (ANND)
4. Global Action Against Poverty (GCAP)
5. Oxfam International
6. Congress of South African Trade Unions (COSATU)
7. SEATINI
8. Action Aid International
9. IBON (Philippines)
10. Trade Justice Movement, UK
11. Instituto del Tercer Mundo, Montevideo, Uruguay
12. The Mexican Action Network on Free Trade (RMALC)
13. Unnayan Onneshan - The Innovators, Bangladesh
14. Coalition against Water Privatization, Ghana
15. Focus on the Global South
16. Kenya Human Rights
17. Econews Africa

18. Trade for Development Centre, Pakistan
19. Consumers Association of Penang, Malaysia
20. Friends of the Earth, Malaysia
21. Friends of the Earth, Germany
22. CIVICUS (World Alliance for Citizen Participation )
23. Mwengo, Zimbabwe
24. Economic Justice Coalition, Mozambique
25. ENDA
26. INESC, Brazil
27. National Association of Nigerian Traders, Nigeria
28. CONTAG, Brazil
29. General Agricultural Workers Union of Trade Union Congress, Ghana
30. Centre pour le Commerce International et Developpement (CECIDE), Guinea
31. Economic Justice Network, South Africa
32. Institute for Global Dialogue (IGD), South Africa
33. Alternative Information and Development Centre, South Africa
34. Gender and Economic Recovery in Africa (GERA), Ghana
35. Justice and Peace (The Southern African Catholic Bishops Conference)
36. African Agenda
37. Gender and Trade Network in Africa (GENTA)
38. African Initiative on Mining, Environment and Society (AIMES), Ghana
39. Sustainable Agriculture Network for Timor-Leste (HASATIL)
40. Oikos - Cooperação e Desenvolvimento, Portugal
41. Council of Canadians
42. UBUNTU FORUM Secretariat
43. A SEED JAPAN (Action for Solidarity, Equality, Environment and Development)
44. The Oakland Institute, CA, USA
45. Rusa Jeremic KAIROS Canada

46. Canadian Council for International Co-operation
47. Forum Syd, Sweden
48. Public Services International (PSI)
49. REDGE (Red de Genero y Economía), Mexico
50. FAT (Frente Autentico del Trabajo), Mexico
51. UNT (Unión Nacional de Trabajadores), Mexico
52. ANEC(Asociación Nacional Empresas Comercializadoas de Producción del Campo)
53. CIECA (Centro de Investigación Económica para el Caribe), Dominican Republic
54. Foro Ciudadano, Dominican Republic.
55. Institute for Global Justice, Indonesia
56. Consumers Union of Japan
57. ATTAC-Denmark
58. ATTAC-Norway
59. ATTAC - Japan
60. Federation Syndicale Unitaire, France
61. DAWN
62. REPEM
63. Peace Boat, Japan
64. Washington Biotechnology Action Council
65. CHANCE ! pono2, Japan
66. Altermonde, Japan
67. World Development Movement (WDM)
68. Comhlámh
69. Australia Fair Trade and Investment Network
70. URFIG
71. WIDE (Network Women in Development
72. Norwegian Council for Africa
73. Diakonia, Sweden

74. Tearfund, UK
75. JDHR (Shafqat), Pakistan
76. WTO Watch Group, Pakistan
77. Tebtebba Foundation, Philippines
78. Millennium Solidarity Geneva Group
79. Asian Indigenous Women's Network
80. Centre for Environmental Concerns
81. War on Want
82. 49<sup>th</sup> Parallel Biotechnology Consortium
83. Social Watch Italy
84. International Metal Workers Federation
85. Global Exchange
86. Attac Sweden