



IBON International Updates #16

Trade

WTO Nairobi Declaration: Death Certificate for the Doha Development Mandate

Paves the way for neoliberal expansion of the WTO

Nairobi, 19 DECEMBER – After extending for a final non-stop 24-hour negotiation between the major trading powers, the 10th Ministerial Conference of the World Trade Organization (WTO) concluded with a Ministerial Declaration that marks a turning point for the multilateral trade body according to U.S. Trade Representative Michael Froman.

The EU describes it as a landmark deal that will improve the global conditions for trade and benefit developing countries in Africa and around the world by getting rid of trade distorting export subsidies in agriculture. WTO Director-General Roberto Azevêdo hailed this as the “most significant outcome on agriculture” in the organization’s 20-year history.

Aside from decisions pertaining to export subsidies for farm exports, the Nairobi Package also include decisions related to public stockholding for food security purposes, special safeguard mechanism for developing countries, measures related to cotton, preferential treatment for least developed countries (LDCs) in the area of services and the criteria for determining whether exports from LDCs may benefit from trade preferences.

The Ministerial also expanded and updated the 1996 Information Technology Agreement (ITA) which will remove duties covering €1.2 trillion in trade and make ICT products such as media players, game consoles and GPS more affordable, according to proponents.

No real progress

But civil society experts dismiss these claims as mere hype to legitimize the continued existence and neoliberal expansion of the WTO, even if by tiny increments.

Timothy Wise, Director of Research and Policy Program of the Global Development and Environment Institute at Tufts University notes that the agriculture text offers no real progress on the key deliverables

demanding by developing countries at the MC10 - public stockholding of food reserves and special safeguards for poor countries to offset import surges.

The Peoples Coalition on Food Sovereignty notes that as early as 2011, Olivier de Schutter, the former Special Rapporteur on the Right to Food has already set out a number of requirements aimed at ensuring the compatibility of the WTO framework with the pursuit of food security and the realization of the human right to adequate food. The recommendations were aimed to promote food reserves and public stockholding programmes to ensure that developing States are allowed to insulate domestic markets from the volatility of prices on international markets. But these proposals have been consistently blocked by the US including at the MC10.

While the decision to eliminate export subsidies in agriculture appears significant, the already declining trend in export subsidies makes this far from the "big deliverable" the developed countries have made it out to be, according to Sophia Murphy of the Institute for Agriculture and Trade Policy (IATP). Moreover, a loophole in the text on agriculture allows the US and other developed countries to continue supporting their domestic agribusiness interests by providing export credits not just to the poorest countries but also to any net food importing developing country -- which basically covers all major recipients of export credits presently.

Perna Bomzan of LDC Watch said the text on food aid is also very weak and even regressive since it does distinguish between emergency and non-emergency food aid. As such it legalises dumping by labelling food exports as food aid.

According to Wise, the Nairobi Package fails to even mention new disciplines on domestic subsidies, and the small progress on export subsidies is diluted by weak language on export credits and food aid, the two main instruments used by the US government to promote its exports.

As for the ITA, many of the developing countries that signed up for the ITA in 1996 saw their trade deficits increase exponentially on products covered by the agreement as ICT products from the developed countries flooded into their markets. At the same time, "trade liberalization in the electronics industry has only intensified the race to the bottom in terms of wages and working conditions, even for many workers making the most advanced electronic products," according to Bong Labog of the Kilusang Mayo Uno (May First Movement) in the Philippines. An expansion of product coverage under the just concluded ITA-2 will likely worsen this trend in most developing countries.

Death certificate for the Doha Mandate

But the real significance of the MC10 lies not in the agreements reached but in the irreconcilable positions of member states on the future of the so-called Doha Development Round. The DDR was launched in 2001, purportedly to address the imbalances in the WTO agreements that favoured the rich countries. But no significant progress has been reached over the last 14 years.

The MC10 became a battleground for the future of the Doha Round, with the US and EU leading the charge to abandon it altogether. India, the African group of countries and least developed countries tried to keep to the Doha Mandates.

The final outcome is a clear setback for developing countries. Unlike previous Ministerials where there has always been a perfunctory reaffirmation of the Doha Mandates among member states, paragraph 30 of the Nairobi Ministerial Declaration states,

“We recognize that many Members reaffirm the Doha Development Agenda, and the Declarations and Decisions adopted at Doha and at the Ministerial Conferences held since then, and reaffirm their full commitment to conclude the DDA on that basis. Other Members do not reaffirm the Doha mandates, as they believe new approaches are necessary to achieve meaningful outcomes in multilateral negotiations. Members have different views on how to address the negotiations.”

Paragraph 32 further states, “Many Members want to carry out the work on the basis of the Doha structure, while some want to explore new architectures.”

This means that the developed countries will proceed to push for “new issues” on a plurilateral basis and just continue ignoring the demands of developing countries. Indeed EU officials have acknowledged during informal discussions that the new issues they would like to be tabled in future discussions include investments, government procurement and competition policy -- the so-called Singapore issues that developing countries have refused to negotiate at the WTO since 1996 in favor of addressing the Doha Development Mandates.

Essentially, these “new issues” would severely limit the capacity of governments to regulate foreign investments, government procurement and competition for the public interest. The developed countries are already pushing this agenda through mega-regional agreements like the Transpacific Partnership Agreement. But they want to multilateralize these through the WTO so that they become enforceable in all countries.

“By all means, the US and EU are attempting a corporate coup d’etat against the people of the world, From the onset, the US and other developed countries were determined to kill the DDR in Nairobi in order to introduce new issues into the multilateral trading system -- new rules that would empower their transnational corporations and bolster their dominant position in the world economy. This Nairobi non-consensus declaration might as well be a death certificate for the Doha Development Round.” concluded Antonio Tujan of IBON International.

“To be honest, we are not really surprised. From the start, this has been the core objective of the WTO – to empower rich countries and their corporations at the expense of people’s rights and welfare,” said Sylvia Mallari, co-chair of the People’s Coalition on Food Sovereignty (PCFS). “The people will step up the fight to Junk WTO and other free trade agreements, and fight for a new generation of trade and international relations free from imperialist globalization!”, Mallari concluded. # (Paul Quintos)