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EUROPEAN NGO STATEMENT:
12 KEY DEMANDS TO THE EU IN THE RUN-UP TO
THE 6TH WTO MINISTERIAL CONFERENCE

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EU Governments and the European Commission have been leading promoters of trade liberalisation. Faced with growing evidence of the social, economic and environmental costs of these policies, and under pressure from public opinion, the rhetoric has begun to change. However, while the rhetoric has shifted, the practice has substantially remained unchanged.

EU governments and the European Commission must change those trade policies that hurt poor communities, damage the environment, result in increased gender inequalities and undermine the respect of human, social, cultural, ecological rights of people both in the South and in the North. Consequently, the undersigned NGOs are demanding that EU Governments and the European Commission take into account the points elucidated within this statement.

EU Trade Ministers must change the current EU trade policy and therefore the negotiating mandates of the European Commission in order to:

- 1. Ensure people's food sovereignty;**
- 2. Stop the assault on livelihoods and the environment in the NAMA negotiations;**
- 3. Stop the GATS power-play against citizens;**
- 4. Address the imbalances of the WTO agreements;**
- 5. Provide access to medicines and ban the patenting of life;**
- 6. Stop unjust Economic Partnership Agreements (EPAs);**
- 7. Regulate corporate activities;**
- 8. End trade conditions imposed by the World Bank and IMF;**
- 9. Assess the impacts of trade on the environment, local communities, etc.;**
- 10. Curb excessive corporate influence;**
- 11. Enhance transparency and democracy.**

Specifically, we demand...

ENSURE PEOPLE'S FOOD SOVEREIGNTY

More than 70% of the world's poorest people live in rural areas and depend on agriculture for part or all of their income. For many, local markets are far more important than international ones and therefore it is essential for them to be able to sell their products locally. However, agricultural trade policies undertaken via the WTO, regional trade agreements, the World Bank and IMF are opening these local markets to cheap imported products. This has disastrous effects on family farmers both in the South and the in North. Current agricultural trade negotiations within the WTO continue to favour agri-business, supermarkets, and traders at the expense of sustainable family farmers, landless people, food workers, consumers and the environment. Existing, as well as most of the proposed rules threaten the right to food and the right to food production for local consumption, thus threatening the food sovereignty of all countries.

In 1994, the EU and USA imposed rules within the WTO effectively legalising dumping (that is, the selling of products below production-costs). Current proposals to address the problem of dumping are proving meaningless, since the system of domestic support classification offers the possibility to legally categorize the new system of supporting agricultural export-production at prices below production-costs via direct payments. Unless further measures are sought, such as the ending of all forms of export competition, including export subsidies, dumping will continue.

DEMAND 1

In order for the EU to gain social and environmental legitimacy internationally (meaning remunerative farm prices, sustainable production, supply management, priority to local/regional markets) the EU must (a) change its agricultural policy, (b) defend a ban on any form of subsidy used to export under the production costs at the international level (including the present use of the green box), (c) defend the right for all countries to protect themselves from excessively cheap agricultural import, and (d) defend the right of all countries or unions to support agriculture when not being exported below production costs.

70% of European citizens do not want to eat GMOs (Genetically Modified Organisms). Such products take away consumer choice, make farmers dependent on a few large companies and undermine food security in developing countries. Increasingly studies show that GMOs do inflict serious damage to wildlife and biodiversity. To force GMO products into global markets, a US-led coalition has filed a legal dispute in the WTO accusing the European Union of blocking trade by restricting GMOs imports. A decision is expected to be taken in December 2005 and, if the US is successful in its pursuit, not only will the EU be forced to accept Genetically Modified food and farming, but so will also the rest of the world.

DEMAND 2

European governments must place the well-being of their citizens, consumers, and the environment before the interests of the biotechnology industry and those of the US. Based on the wishes of its citizens, the EU must stop approving new genetically modified products and must maintain national bans whilst developing legislation for GM free zones in order to guarantee the right of European Governments and the rest of the world to remain GMO-free. The EU must clearly reject any decision resulting from the current WTO dispute that would lead to the introduction of GM food into European markets.

STOP THE ASSAULT ON LIVELIHOODS AND THE ENVIRONMENT IN THE NAMA NEGOTIATIONS

In the non-agricultural market access (NAMA) negotiations, which deal with industrial, mining, fisheries and forestry products, many industrialised countries, including the EU, are aggressively pursuing market opening for their exports. The EU demands that developing countries be subjected to the drastic "Swiss formula", aimed at slashing the industrial tariffs of developing countries to very low levels. Moreover, the EU wants to severely limit the flexibilities given to developing countries to exclude some products from being bound or from being subjected to this Swiss formula cut. The EU also demands that developing countries bind all their tariffs (which means giving up an important flexibility they now enjoy) and the calculation method it proposes for this will bind the currently unbound tariffs at very low levels as well.

As a result, a large number of developing countries would face the prospect of de-industrialisation with severe impacts on the level and the quality of employments and the loss of significant quantities of government customs revenue most needed to finance many essential services. NAMA would result in a further lock-in of many developing countries to their existing commodity dependence, whilst also discouraging diversification. Thus the NAMA negotiations present particular concern for the economic and social well-being of the lives of men and women both in the immediate aftermath of the implementation of such tariff cuts and in the long term growth dynamics of the country.

The EU should therefore not insist on the use of the Swiss formula for developing countries who should be able (1) to choose whether or not to reduce tariffs, and on which products; (2) to choose the rate at which to reduce bound tariffs; (3) to choose whether or not to bind their unbound tariffs, and to choose at which rates to bind if they decide to bind.

Furthermore, in NAMA, all natural resources are effectively on the table for either partial or complete liberalisation, with a particular focus at the moment on fish and fish products, gems and minerals. Thus NAMA, could impact significantly on countries natural resources and on policies designed to protect the environment. Worryingly, an extensive range of environmental standards both in Europe and elsewhere are also being challenged under the current NAMA negotiations.

DEMAND 3

The EU should halt the NAMA negotiations and agree to a full and independent review of NAMA's potential impacts on economic development, industrial diversification in developing countries, the environment and social welfare (including employment, health and gender balance). The EU should recognise and guarantee governments' domestic policy space and flexibilities preserving their right to use policy tools including trade measures, that:

- develop fair and sustainable economies,
- protect and promote employment, social welfare, health and the environment
- guarantee public participation and
- promote resource conservation and the sustainable management of natural resources

including by stopping the further liberalisation of trade in natural resources such as forests, fish, oils, gas, metals and minerals.

STOP THE GATS POWER-PLAY AGAINST CITIZENS

The current Doha work program of global trade negotiations was to be geared towards the 'development' priorities of the Global South. Yet, enormous pressure is now being exerted on developing countries to open up their key service-markets to foreign-based and for-profit corporations in industrialized countries. The EU continues to demand from developing countries commitments in key sectors such as finance, energy, environment, water, tourism, distribution, postal and transport services. Yet, these just happen to be among the services sectors on which the European for-profit corporations are seeking to expand their global market reach. There is no evidence to suggest that opening up the services sectors to these foreign-based services corporations will enhance the development goals and priorities of developing countries.

The established experiences of services liberalisation-and-privatization give reason for people in the South and North to be concerned about diminishing access to essential services such as water, health, education, energy etc., including the deterioration of their quality, job losses, job insecurity, curtailment of workers' rights, decline in real wages and increased demands in labour flexibility, since the protection of labour rights and promotion of core labour standards are increasingly being viewed as 'protectionist measures or barriers to 'free trade.'

Additionally, the GATS initially heralded for its flexibility, claiming that countries could elect whether to place services on the negotiations table or not, has proven essentially false. In order to secure the opening of developing countries services markets, the European Commission has taken the lead among those countries advocating the establishment of quantitative and qualitative benchmarks for the GATS negotiations, without even properly discussing such a step among the EU members. This will compel WTO-members to reach prescribed high levels of services liberalisation. The proposals on the table will in particular imply that developing countries will bear the large share of the commitments. At the same time the European Commission uses the benchmarking exercise to also set a high level of commitments to help enforcing from outside the EU internal services liberalisation.

DEMAND 4

The EU must stop pursuing the introduction of benchmarks in the GATS market access negotiations. No selective 'benchmarks' or other changes in the negotiation process should be introduced which force developing countries to make precipitated commitments in specific sectors.

A comprehensive assessment has to be conducted on the developmental, environmental, social, and gender impacts of the liberalization of services before proceeding with the current round of GATS negotiations. Essential services, such as water, energy, education and health, whose access is important for human development and women's empowerment, must be excluded from the negotiations.

Any continuation of service negotiations must be preceded by comprehensive national policy making processes involving all affected constituencies domestically and the public at large, and all requests and offers must be made fully public without delay.

REBALANCING THE WTO AGREEMENTS

The developing countries have been asking since long for a re-balancing of the existing WTO agreements that in many ways are skewed against their development interests. An important part of this exercise would focus on making the numerous but often too vague "special and differential treatment" (SDT) provisions more precise, operational and economically meaningful. In the run up to the Seattle and Doha WTO Ministerials developing countries produced long lists of articles that needed to be reviewed. An important reason for accepting the Doha Round was the high priority given to this review in the Doha Ministerial Declaration that guides the current negotiations.

Unfortunately there has been very little progress on the “implementation issues” and “SDT” as this review exercise is known. Although many proposals were made by the developing countries on a wide range of issues, the deadlines for resolving these issues have passed many times since 2002 and they are still unresolved. This is shameful, especially since the Doha Declaration states that the interests of developing countries are at the centre of the Doha agenda.

The main reason for the "no progress" in clarifying or amending the WTO agreements is the resistance of the major developed countries, including the EU, to recognise that the WTO agreements have to be changed to suit the development needs of the developing countries. This resistance has stalled any progress.

DEMAND 5

The EU must change its so-far stubborn and anti-development attitude and give top priority to resolving implementation issues and the issues regarding SDT in ways that adequately reflect the development policy needs and interests of developing countries. In fact, the resolution of these "development issues" should come before agreements on other issues such as NAMA and GATS, as was the original intention in the placing of the various deadlines on issues in the Doha Declaration.

PROVIDE ACCESS TO MEDICINES AND BAN THE PATENTING OF LIFE

Strong pressure from business lobbies in the US, Europe and Japan succeeded in making the “Trade related intellectual property rights agreement” (TRIPS), imposing strong intellectual property (IP) standards, part of the Uruguay Round. The current TRIPS agreements obstruct access to medicines and leads to the private appropriation of life forms and traditional knowledge and the destruction of biodiversity.

While most of the benefits of TRIPS flow to the North, developing countries are still grappling with the understanding, implementation and costs of the agreement. A review of TRIPS and several of its articles is therefore an important part of the re-balancing exercise mentioned above, especially with regard to matters like the access to affordable medicines, technology transfer, traditional knowledge, disclosure of origin, prior informed consent, benefit sharing, patenting of life, non-violation complaints.

However, as with many issues of particular interest to developing countries, very little progress is made in this field, because of the failure of Northern countries, including the EU to look beyond the narrow and private interests of their industries (as is the case in the World Intellectual Property Organisation (WIPO) where developing countries have launched a similar agenda in 2004).

Even the obvious case of access to affordable medicines has still not found a final and workable solution.

Meanwhile especially the USA, but also the EU is pursuing a “TRIPS plus” agenda in bilateral negotiations outside the WTO imposing more burdensome IP measures upon developing countries, including provisions regarding the exclusivity of test data, which will hinder the introduction of generic medicines.

DEMAND 6

The EU must accept amending the TRIPS agreement so as to provides a final, user-friendly and effective solution of the access to medicines problem; it must not pursue TRIPS plus provisions in bilateral agreements; respect developing countries’ need for policy space to adopt IP systems suitable to their level of development and rebalance the TRIPS agreement in favour of public and development and biodiversity interests. Furthermore, the patenting of life must be banned from all trade agreements.

STOP ECONOMIC PARTNERSHIP AGREEMENTS AND OTHER BILATERAL TRADE AGREEMENT NEGOTIATIONS

The future development of African, Caribbean and Pacific (ACP) countries risks being seriously undermined by the inequitable bilateral Economic Partnership Agreements (EPAs) currently under negotiation between the EU and ACP countries.

The EU's proposals for EPAs include trade liberalisation demands that go far beyond anything currently discussed within the WTO, hence leading to deep and dramatic market opening by ACP countries within a very short time-period, possibly within 10 to 15 years. In addition, the EU is pushing for trade negotiations in areas that ACP countries have long opposed in the WTO (eg.: the Singapore issues). This is undercutting ACP countries' negotiating positions at the WTO and will deepen poverty in ACP countries.

DEMAND 7

The EU must drop its demand for reciprocal trade liberalisation, exclude the Singapore issues and urgently honour its commitment to provide ACP countries with viable non-reciprocal alternatives to EPAs, in parallel to EPA negotiations in 2005.

REGULATE CORPORATE ACTIVITIES

The EU pushes the development of investment rules in bilateral and regional trade deals that would give enhanced rights to corporations at the expense of people and the environment. Such investment rules would limit the space for governments and societies to regulate their economies and strengthen the rights of foreign corporations. A clear example of far reaching negative political, social and environmental impacts of investment agreements is NAFTA, the free trade accord between the US, Canada and Mexico. Numerous corporate suits have been used to challenge or reverse democratic decisions to protect public health and the environment.

Powerful and influential Transnational Companies (TNCS) in today's global economy are not being held accountable for the negative impacts of their operations. Governments, the EU and their elected representatives (eg.: MEPs), must ensure that TNCS can be held accountable to the communities they affect through legally binding rules of accountability and liability. At the UN World Summit on Sustainable Development, governments agreed to "actively promote corporate responsibility and accountability, based on the Rio principles, including through the full development and effective implementation of intergovernmental agreements and measures..."

DEMAND 8

The EU must give up its current push for more investment protection agreements in bilateral and regional trade deals and promote legally binding rules for corporate accountability.

END TRADE CONDITIONS IMPOSED BY THE IMF AND WORLD BANK

The World Bank and IMF impose risky and unproven economic reforms on poor countries by attaching conditions to debt relief and aid. Countries are pressured to cut public spending, to open their markets to foreign trade and investment, to cut state subsidies and to privatise state-owned enterprises, including public services. Many poor countries also require an IMF seal of approval in order to receive aid from other countries, giving the IMF immense influence 'behind the scenes'.

EU governments, who are major shareholders in the World Bank and IMF, say that they oppose the use of conditions and support 'country-owned' development strategies. However, the World Bank and IMF continue to exercise huge influence, shaping countries' strategies through policy advice that is often biased in favour of free trade, and 'signing-off' the final document. Imposing trade conditions on countries in return for giving aid is unfair, undemocratic and ineffective. Poor countries should be in control of their own economic development.

DEMAND 9

EU Governments should use their influence to stop the World Bank and IMF imposing trade conditions on poor countries.

ASSESS THE IMPACTS OF TRADE

The European Commission's Directorate General for External Trade (DG Trade) spends 10% of its budget on Sustainability Impact Assessments. Such assessments prove necessary for investigating the potential negative impacts of trade rules on environmental sustainability, development, democracy, the lives of women and indigenous people and for rectifying existing agreements. However, so far these studies have been limited in analytical scope and the results have had effectively no impact on the EU's trade policy-making. The current methodology has show a clear bias towards liberalization and the inability to provide a comprehensive assessment of the combined economic, social and environmental impacts – till now treated in clinical isolation – has most probably resulted in an underestimation of the truthful impacts of the negotiations. Moreover, SIAs have failed to become an integral part of EU policy making, despite their objective of informing negotiators.

DEMAND 10

The EU must ensure the revision of the methodology for SIAs in order to widen its analytical scope and remove its pro-liberalisation bias. The EU must also ensure that SIAs are carried out prior and during any negotiations taking place and that their findings are fully acknowledged and integrated within the negotiating mandate. Trade Ministers should be regularly briefed on the results of SIAs in order to promote the overall coherence of the EU's policy for sustainable development.

CURB EXCESSIVE CORPORATE LOBBYING POWER

Some 15,000 lobbyists are active in Brussels, of whom a majority represents corporate interests. With regards to EU trade policy the dominance of corporate lobbyists is even more prominent. At the moment, there are no binding transparency and ethics rules for lobbying at the EU institutions. This leads to a political and democratic deficit of EU trade policy.

In the recent past, DG Trade has granted privileged access and undue influence to corporate lobby groups, including the European Services Forum (ESF) and the Transatlantic Business Dialogue (TABD). This needs to be curbed.

DEMAND 11

We call upon the EU Member States to support the 'European Transparency Initiative', launched in March 2005 by European Commissioner Siim Kallas, in particular the objective to address the current lack of mandatory regulation on registration and reporting of lobby activities directed at EU institutions. Such rules must be shaped in a way that optimally enables democratic scrutiny of corporate influence over EU policy-making. Furthermore privileged relationships to big business should be ended to ensure that EU policies serve the interests of the general public, not the narrow commercial agendas of large corporations.

ENHANCE DEMOCRACY AND TRANSPARENCY

EU trade policy-making, including the internal processes of the 133 Committee, is opaque, nontransparent and deeply undemocratic. Sustainable development should become the central objective of all sectors and policies. As a first powerful step, towards ensuring EU trade policy making reflects this aim, would require the enhancement of the transparency and the accountability of the process. Greater coherence of decisions must be ensured by the departments dealing with sustainable development both at Commission and member states' level. In addition, the internal processes in the committee 133 must be made more transparent and accountable.

Greater parliamentary involvement is crucial, but cannot be limited to ex-post-assent to a done deal after a lengthy round of trade negotiations. European Industry has preferential access to influence and develop EU trade policy positions, whilst all other stakeholders representing those interests such as labour, environment, health etc. do not benefit from similar integration into the policy making process as big business does.

DEMAND 12

The EU must promote enhanced transparency and democratic participation and accountability in EU trade policy-making by all stakeholders concerned. Member States should undertake the review of the provisions for transparency and accountability at national level, to fully consult with other government departments at home, consult with national parliaments and civil society groups. Such consultations should proceed on the premise that trade policy is a means of enhancing other policy goals. In view of the critical role of trade policy for sustainable development, other working groups on the environment and development should be formally consulted in the course of trade negotiations and proceedings of the Committee 133 be made fully transparent. At the WTO the EU should ensure the maximum inclusiveness and transparency of meetings.

Signatories:

1. Africa-Europe Faith and Justice Network – AEFJN, Belgium
2. Afrika-Europa Network, Netherlands
3. Agir ici, France
4. Alliance for One World, Austria
5. Attac Austria
6. Attac Demark
7. Attac Flanders
8. Attac France
9. Attac Hungary
10. Attac Poland
11. Attac Switzerland
12. Both ENDS, Netherlands
13. BUND, Germany
14. Campaign for the Welfare State, Norway
15. Campaign for the Reform of the World Bank – CRBM, Italy
16. Coordination Paysanne Européenne – CPE, Belgium
17. Corporate Europe Observatory – CEO, Netherlands
18. Catholic Institute for International Relations, UK
19. Friends of the Earth Europe (with members in 31 European countries), Belgium
20. FAIR, Italy
21. Coalition of the Flemish North South Movement in Belgium – 11.11.11, Belgium
22. Greenpeace International
23. Network Afrika Deutschland, Germany
24. NOAH, Denmark
25. Protect the Future, Hungary
26. Rete di Lilliput, Italy
27. Roba dell'Altro Mondo Fair Trade, Italy
28. SOMO, Netherlands
29. Tradewatch, Italy
30. War on Want, UK
31. World Economy, Ecology and Development - WEED, Germany
32. Women In Development Europe - WIDE
33. Wemos, Netherlands
34. World Development Movement - WDM
35. Zuid-Noord Federatie, Netherlands