

## DECLARATION

### Civil Society Meeting: "Influencing Policymakers on Trade and Development

22-24 May in Copenhagen."

#### Preamble

While trade can be a tool for sustainable development, it must be recognised that liberalisation *per se* is not the single answer to the humanitarian and development needs of developing countries. Many developing countries, for instance, have experienced firsthand the negative effects of unbridled free trade, including the displacement of local livelihoods, the closing down of local firms and national industries, as well as increased unemployment and loss of jobs. In particular, indigenous peoples and women have suffered disproportionately the negative consequences of trade liberalisation. In addition, unbridled free trade has exacerbated existing inequalities and fuelled the unsustainable consumption and production patterns of developed countries at the expense of developing countries.

This unsustainable situation is preserved and perpetuated through unequal rules in the World Trade Organisation (WTO), and in bilateral and regional trade and economic agreements. Trade rules need to be changed to make the international trading system equitable and supportive of sustainable development and address more strongly, the needs and interests of developing countries. The WTO mandate must *not* be expanded further to serve the narrow economic interests of the developed countries to include the Singapore Issues.

The WTO generates more widespread criticism of its methods than any other intergovernmental organisation. It continues to move further in the wrong direction, as highlighted by the ongoing gridlock on key issues for developing countries - such as agricultural reform and access to medicines. In order for the Doha round to work for *development*, we challenge you, the decision-makers, to move away from words and rhetoric and deliver true change.

#### Policy Space for Trade and Development

Sustainable development and trade liberalisation are separate things. Sufficient and effective aid is needed to support national efforts at attaining the Millennium Development Goals (MDGs) and to ensure that decisions made at the Monterrey and Johannesburg meetings are properly implemented.

The WTO should ensure its policies do not disturb the development policies of its members. The WTO should accept a responsibility for human development and

incorporate the MDGs as part of its working agenda. It should also provide an annual report on its contribution to the attainment of the MDGs.

Experience shows that successful development can only be based on autonomous policy-making. Trade rules *must* allow developing country governments to retain the autonomy and flexibility needed to design appropriate trade policies consistent with their national development needs.

Different rules and obligations are required for countries at different levels of development. Many WTO agreements (e.g. those on investment measures, intellectual property rights, services, subsidies, sanitary and phytosanitary measures, and technical barriers to trade) have encroached upon developing country governments' policy-making space. Inadequate implementation of the existing agreements adds to this, including 'special and differential treatment' (S&D) measures which are supposed to ease the position of developing countries.

The issues of implementation and S&D must be resolved by the September 2003 Cancun ministerial meeting, to ensure that at least some results can be seen from the development commitments made at Doha.

The International Monetary Fund, the World Bank and other donors need to ensure greater coherence between various aspects of their poverty reduction policies and programmes. Developing countries' alignment to trade rules that undermine sustainable and humanitarian development should *not* be the basis on which donors, the World Bank, and the IMF make loans or grants.

Infrastructure and institutional constraints continue to impose severe limits on the extent to which developing countries can benefit from world trade. Efforts must be made to end the fragmentation of approaches to improving national trade capacities. This requires a fundamental rethinking of trade capacity programmes, including ensuring that they are fully in line with national development priorities. One-size-fits-all trade policies must be abandoned, and more and better aid must be provided.

Internally, the WTO's use of 'consensus' decision-making has led to opaque practices such as 'green rooms' and 'mini-ministerials,' which amount to methods to impose a false consensus. All developing country members must be able to participate fully in all discussions and negotiations; at present they cannot. Standard rules of procedure are required at the WTO, and the use of existing provisions on voting deserves consideration as a means of decision-making.

Trade policy processes need to be opened up within WTO member countries themselves. Likewise, civil society organisations (CSOs) must be provided with better access to WTO processes. This can be achieved by granting observer status to CSOs in WTO bodies; faster derestriction of documents; enabling CSOs to contribute their own analyses on issues under deliberation; and provision of better information about cases under dispute settlement procedures.

## **Agriculture**

While agriculture is a matter of life and death in developing countries (especially the most impoverished countries), it is a matter of business in developed countries. Therefore, the views of developing countries and impoverished rural people should be the primary point of reference in elaborating WTO rules on agriculture.

The WTO's Agreement on Agriculture should be reformulated in ways which give adequate economic space to impoverished countries' development and food security needs, and protect rural livelihoods, as opposed to the present situation where the actual privileges go to developed countries. It is ironic that the Organisation for Economic Cooperation and Development (OECD) countries, which can afford agricultural subsidies, are those that least need them.

In particular, the concept of special products should be redefined in accordance with actual nutritional and economic needs, rather than narrow trade categories, and the ability to apply the concept to any crop on which livelihoods may depend. Developing countries must also be allowed to:

- maintain appropriate levels of tariff protection;
- have recourse to swift and simple safeguard provisions, including those which are pre-emptive in nature;
- have recourse to quantitative restrictions and countervailing duties, including those against subsidised imports, as well as exemption from the imposition by developed countries of countervailing duties against their own exports.

In the light of President Chirac's recent proposal to African leaders, the European Union (EU), the United States (US) and other developed countries, should put an immediate end to export subsidies on all agricultural exports, including the inappropriate use of export credits and food aid. We are also concerned that a reformed Common Agricultural Policy will continue to provide forms of agricultural support which permit the export of EU products at less than the cost of production.

While bearing in mind the responsibility of countries to safeguard the environment, there is a need to question the definitions being promoted of what constitutes trade-distorting, less trade-distorting and non-trade-distorting forms of agricultural support. The key question is the impact these various measures have on the relative price competitiveness of developed and developing country producers.

There is a need to improve real market access opportunities for developing countries (particularly the most impoverished) through removing both tariff and non-tariff barriers, including sanitary and phytosanitary standards as well as administrative procedures in importing countries. Zero-tariff and quota-free access must be provided for all agricultural exports of least developed countries. Tariff peaks and tariff escalation should be eliminated.

### **Genetically Modified Organisms**

We specifically call on the EU Member States to defend the existing framework for GMOs, including its actual moratorium on approval of new GM varieties, in the face of the recent

launch of consultations at the WTO by the US on this issue. The case poses a dangerous threat to the precautionary principle, which must take precedence over the narrow interests of the genetic engineering and agro-chemical industry.

**Signed by:**

Kamalesh Adhikari, South Asia Watch on Trade, Economics & Environment (SAWTEE), Nepal.

Silvia Argüello, Centro Humboldt, Nicaragua.

Halle Jørn Hanssen, Forum for Development and Environment, Norway.

Stephen Law, Environmental Monitoring Group (EMG), South Africa.

Tom Lines, Oxfam GB, United Kingdom.

Tacko Ndiaye, Gender and Trade Network Africa, Senegal.

Graciela Rodriguez, International Gender and Trade Network (IGTN), Brazil.

Pushpendra Kumar Singh, ActionAid Alliance, Belgium.

Happy James Tumwebate, Albertine Rift Conservation Society (ARCOS), Uganda.

Carolina Ugarte, Fundación Ecológica Universal, Argentine.

Alejandro Villamar, Red Mexicana de Acción contra el Libre Comercio, Mexico.

Lek Yimprasert, Thai Labour Campaign & Asia Gender and Trade Network. Thailand.

Lars Anderskov, Danish Association for International Co-operation (MS), Denmark

Tzvetelina Arsova, Women and Development (KULU), Denmark.

John K. Bang, WWF Denmark.

Morten Emil Hansen, Ibis, Denmark.

Ole Klammer, ATTAC, Denmark

John Nordbo, the Danish 92 Group, Denmark