



## Public Services International statement to the 9<sup>th</sup> WTO Ministerial Conference Bali, Indonesia, 3-6 December, 2013

The results of decades of corporate-led globalisation are clear for the majority of the world. Unemployment continues to afflict millions and is especially acute for [the world's youth](#). Inequality is growing and quality public services and labour rights are being undermined. Liberalisation of and financial speculation in commodities markets has produced ruinous price fluctuations for food and shortages that create untold harm and avoidable loss of life. The global economic crisis caused by the reckless and unregulated actions of the private financial markets has created untold suffering for workers and is now being used as the reason to implement punitive and misguided austerity programmes.

The trade liberalisation agenda has created much damage and has done little to address the fundamental challenges of our time. Markets have not delivered action on climate change but in many cases privatisation has contributed to ecological disasters. Development remains stalled in far too many countries. Universal social protections, decent work and living wages are not available to the vast majority of the world's population. Operating outside the standards of the tripartite International Labour Organization, [trade agreements](#) promote the unregulated flow of migrant labour while undermining the institutions that would protect these workers from exploitation.

Corruption continues to be a scourge on communities, undermining confidence in governments and stealing the means to deliver the essentials of life for many people. Clean, affordable and reliable [public water](#) and [energy](#) are not available to most of the world's population. And the trade agenda does nothing to re-regulate the financial markets to prevent an elite few from continuing to profit so much while destabilising the global economy.

Yet, providing communities with universally accessible quality public services has never been more possible. Corporate revenue continues to grow. But weakened or outdated tax rules are not able to capture corporate revenue to fund vital public services such as health, education, waste management, water and energy. Global corporations that have promoted liberalised trade benefit from being able to avoid paying their fair share in taxes. The current free trade agenda does nothing to deal with these issues.

The proliferation of free trade agreements may bring net gains for the most powerful corporations and nations but these gains are not distributed and rarely find their way to those who most need them, exacerbating inequality. Even the WTO reluctantly admits that there are winners and losers in free trade.

The next generation of trade agreements have little to do with tariffs. They focus on providing market access to large corporations with as few restrictions as possible. The new generation of trade agreements effectively stop democratically-elected governments from safe-guarding environmental, labour and social standards that may inhibit the actions of corporations. These deals seek fewer protections for [migrant workers](#), immorally treating them like other commodities to be bought and sold through free markets. Shockingly, the negotiators of these agreements do not heed the warnings of the financial crisis and seek to prohibit exactly the financial regulation required to ensure that capital markets never again cripple the

economy. The trend towards creating corporate rights that supersede the rights of citizens and nations, particularly those enforceable in private courts, is a scandal. The global trade framework must be built around delivering universal rights to human development to have legitimacy in the eyes of the majority.

It must be open, balanced and inclusive. WTO members must take a first step by honouring the developmental mandate given to the WTO in Doha.

### **Public Services are for the public good**

There is no place for public services in trade agreements that focus on market mechanisms and for-profit provision. [Quality public services](#) are dynamic and evolve to meet changing circumstances, technology, political priorities and social objectives. Provision of quality public services requires governments to have the maximum possible policy space and all possible regulatory tools. Mixed public/private models only increase the need for policy space and are no basis for inclusion. Broadly defined public services must be carved out of all trade agreements.

### **Governments must be able to regulate vital services**

The existing General Agreement on Trade in Services (GATS) rules should not be the basis for liberalisation. The GATS Market Access rules prohibit public interest regulations that apply equally to domestic and foreign firms to promote financial stability, consumer safety, public health, environmental quality and universal access to education, water, energy and transport services. The GATS contains additional limits on domestic regulation with respect to qualification requirements and procedures, technical standards and licensing requirements. Future agreements, such as the Trade in Services Agreement (TISA), should not expand the deregulatory requirements that already exist in the GATS, but instead roll them back.

### **Affordable healthcare and medicines – not patent monopolies**

The Doha Declaration on Public Health and the Trade-Related Aspects of Intellectual Property Rights (TRIPS) agreement reaffirmed the flexibilities contained in the TRIPS agreement and its use to address the public health needs of WTO member states. However, the negotiations that followed the Declaration concluded without establishing a workable mechanism to translate the agreed rights into real access. Member states must review the decision of 30 August 2003 to waive Article 31 (f) of TRIPS, and the subsequent decision to amend the TRIPS in 2005, and improve these decisions to make them workable. Members should agree to a permanent moratorium on non-violation of TRIPS complaints and make permanent the waiver of TRIPS obligations for Least Developed Countries without any conditions.

### **Financial stability - not financial deregulation**

The deregulation and liberalisation rules of the WTO in the financial services sector set the stage for the global financial crisis. Yet, while the G20, most governments and even the IMF have recognized the need for financial re-regulation, the WTO's GATS rules hinder financial regulation efforts. Current proposals in the GATS negotiations would establish additional limits on domestic regulation and extend the coverage of deregulation requirements. Immediate changes are needed to current GATS rules regarding financial services, and no further deregulation or liberalisation of financial services should be undertaken within the WTO. Existing and proposed GATS rules should be reviewed in light of the financial crisis, and then clarified to ensure policy space for all countries to use macro-prudential measures, such as capital controls and financial transaction taxes, as well as to implement other financial regulatory and prudential measures.

### **Trade rules that support food rights**

Food is not simply another commodity. Nutritious, safe and sufficient food is a human right. The increased deregulation and liberalisation of food markets have exposed small farmers, workers and consumers to unacceptable fluctuations in food prices and availability that have devastating effects on the world's most vulnerable. Excessive speculation in the commodities markets, and global food rules – written largely to satisfy corporate agribusiness – that treat food as a product for corporate profit cannot be supported. Developing countries must have the right to subsidise food for the poor, including through direct payments to poor farmers, as proposed in the current negotiations by the G33 to promote Food Security and the right

to raise tariffs and use other measures to protect farmers' livelihoods, rural development, and food security through a more flexible form of the Special Safeguard Mechanism (SSM) currently proposed by the WTO. No additional commitments on Agriculture should be made of LDCs. Trade rules must be modified to facilitate proper regulation of commodities to prevent excessive speculation and volatility in the global markets.

#### **Trade agreements should not regulate labour migration**

Workers are not commodities and should not have their movements regulated by trade agreements. Unlike goods and services, people require institutions to protect their human rights. Only the normative standard-setting process of the tripartite International Labour Organization is competent to regulate labour migration.

#### **The WTO is not the forum to establish climate change policy**

Trade liberalisation and market expansion cannot and do not address climate change. The principles of sustainable development are not at the core of the WTO and the WTO should not limit the policy space of the competent authorities to solve our climate problems. TRIPS rules should be altered to allow countries to negotiate additional flexibilities to the intellectual property regime regarding technology transfer, including in other multilateral venues dealing with climate change. Climate change policies should not be subject to challenge through the WTO's Dispute Settlement Mechanism. No new "climate change" agenda should be introduced at the WTO.

#### **No free trade without independent trade unions and fundamental labour rights**

The right to form and join independent trade unions, bargain collectively and strike are human rights. Countries, pushed by corporate interests, sometimes undermine these rights to obtain competitive advantage. There is no level playing field with countries [that violate basic labour and human rights](#) and these countries should be excluded from the benefits of any free trade deals while violations continue.

#### **Trade must serve development**

Trade must be available to developing countries as a tool for development. Trade is not the goal in itself. If the actual result of trade under the current or proposed rules hinders the ability of poor people and poor countries to develop, then new rules are needed. The WTO Members should conclude an agreement that responds to the 88 proposals that appeared earlier in the negotiations to make Special and Differential Treatment principles more operational and effective, simplify the Rules of Origin so as to improve access to developed countries' markets, provide unilateral duty-free, quota-free access for all LDC products, eliminate all cotton subsidies and extend indefinitely the waiver on services currently enjoyed by the LDCs.