

# MC12 Outcomes for Development: Challenges and Opportunities

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# WHAT WE NEED

- People around the world need a global economy that facilitates shared prosperity with human, **labor, social and economic rights to facilitate the achievement, at a minimum, of the 2030 Agenda for Sustainable Development, adopted by United Nations member states in September 2015 as the Sustainable Development Goals (SDGs).**
- The **multilateral trade system should contribute to that vision; but instead, it is in crisis** because it has failed to deliver shared prosperity, while trampling over people's universal rights. This is because corporate elites have hijacked "trade" to rig the rules of the multilateral system to distribute income upwards, while reducing protections for people who work.

# World Trade Organization (WTO)

The WTO states that “trade can be an engine of growth” but it depends on which trade rules, who writes them, who will benefit from them.

Over 25 years, it does not have a great track record. Most countries that have had stronger growth, **trade with China**, not with EU or US along the lines of WTO rules...Yet China's model is criticized..

**WTO favors corporate profit**, because it gives rights to trade (which are exercised by corporations) while limiting governments' ability to regulate in the public interest.

# World Trade Organization (WTO)

Example of how WTO how it favors corporate profit over public interest:

- the **deregulation of services** in the name of “trade”;
- and **limits on supporting domestic agricultural production** for food security and food sovereignty;
- **direct limits on using development policy such as industrial policies;**
- **intellectual property rules** (patents, copyrights, trademarks, trade secrets) *which are designed to promote monopoly and redistribute income upwards* – far more protectionist (government intervention to protect a certain class of people, patent-holders!) and “trade-distorting” than tariffs!

which all developed countries used for their own development – which are all policies that *should not be part of trade agreements*.

# WTO State of Play Framework

- **Development agenda can be understood as effort to “fix” existing rules** that constrain countries from using trade for development. This means taking areas of developing countries’ economies OUT of the WTO. Also to discipline (reduce) special protections for agriculture in the North. *Development advocates want these negotiations!*
- **Liberalization (corporate) agenda is to expand** the (failed) rules of the WTO to new sectors and increase the coverage of WTO rules over our economies. *Development advocates oppose these negotiations!*

# MC12 Challenges: Anti-Development Agenda

- Most important: to stop the legitimization of the Joint Statement Initiatives (JSIs)
- In particular, the effort by **Big Tech corporations to use the WTO to gain a new pro-corporate rights in the digital economy**, and to handcuff proper regulatory oversight through so-called “e-commerce” *must be halted immediately*.
- Other JSIs:
  - bring more investment disciplines to the WTO through “**investment facilitation**” negotiations;
  - to further encroach on regulatory sovereignty through “**domestic regulation**” negotiations;
  - Other “JSIs” on MSMEs; environment; gender;
- Stop **limit development flexibilities in the fisheries negotiations**.
- No more WTO burdens on developing countries – “**Transparency & Notification**”

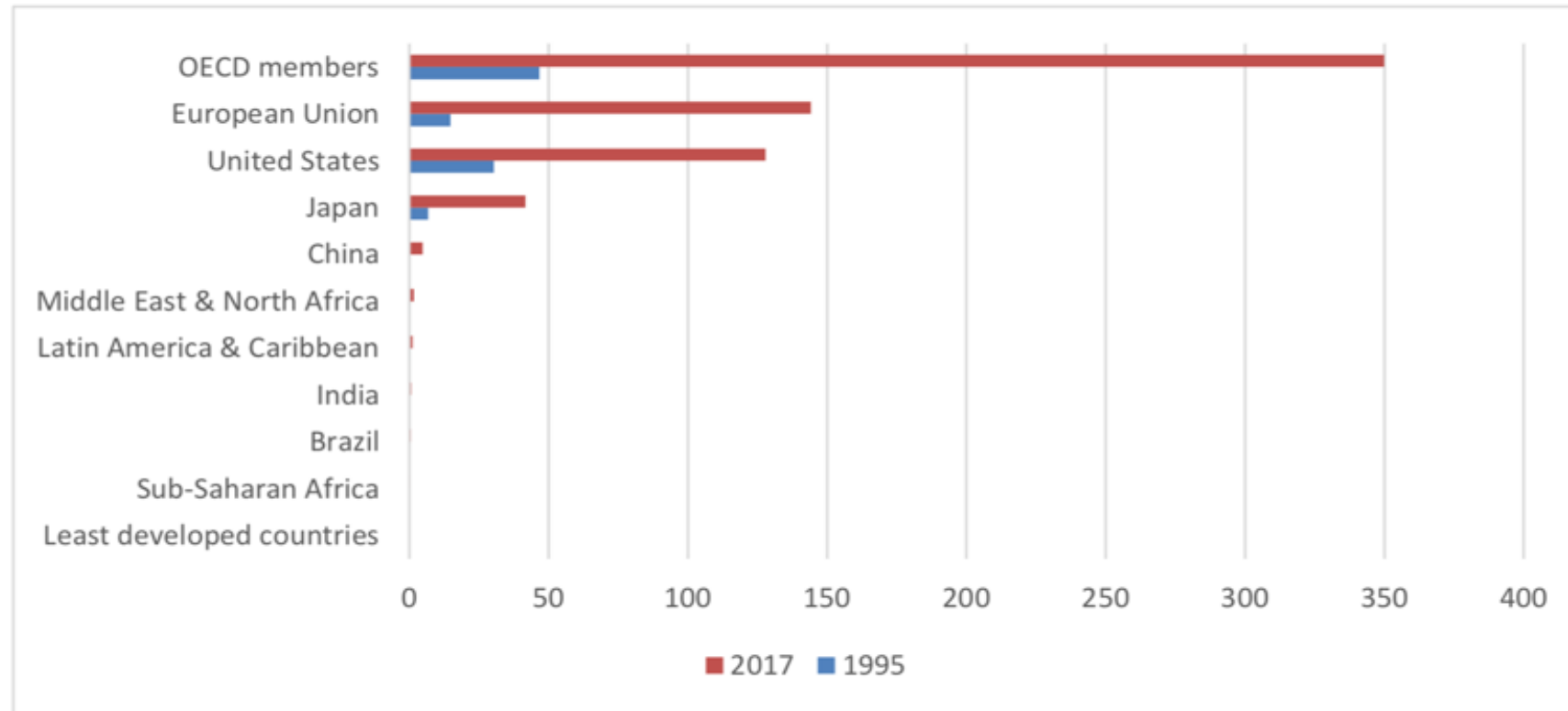
# Policy Space for Digital Industrialization and the Ability to Use Data for the Public Interest

- All negotiations towards a binding agreement on digital trade (“e-commerce”) should be abandoned immediately. Corporate-driven..
- All governments must seek ways to use digitalization for development, job creation – this is **digital industrialization**. Must have ability to create value-addition through local servers, local data storage, local data processing, etc.
- Data is the most valuable asset. All governments must seek ways to **use data for the public interest** – instead of handing over your country’s data, for free, to private foreign interests. Imagine if we had said... all subsoil belongs to the extractor... Instead of Uber knowing transport..improving public services!
- Rules we need: pro-labor; anti-trust; anti-violence; anti-discrimination...

# “Free Flow of Data is Good for Development”

*That’s what they said about TRIPS also...*

**Graph 12: Intellectual Property Rights Receipts, (US\$ Billion)**



Source: World Bank WDI.

Digital ECONOMIC divide is widening, just like the IP economic divide



# “Transparency” in Domestic Regulation and Investment Facilitation: Foreign Corporate Interests

- Corporate advocates are seeking to legitimize plurilateral agreements including Domestic Regulation and Investment Facilitation.
- “Transparency” in both agreements means that the government would have an obligation to facilitate foreign corporate influence into the domestic policymaking process in ANY regulations, measures, legislation, etc affecting services or investment.. Significant burden – not for citizens’ public interest but foreign non-stakeholders!
- Both agreements set to put handcuffs on regulators’ and legislators’ ability to shape markets in the interests of citizens, consumers, residents, workers, services users, local businesses, etc by “balancing” them with foreign interests.

# No Fisheries Subsidies Disciplines without S&DT

- There is an effort to conclude disciplines on fisheries subsidies as soon as possible – from a mandate in the SDGs.
- But the proposals are very similar to agriculture – rich country have used subsidies for a long time, and they are now reducing them. And now they are demanding that the types of subsidies used by poor countries are proposed to be banned and/or reduced.
- Illegal, Unreported, and Unregulated (IUU) fishery subsidies are a problem, but the fishing sector of many developing countries is not developed enough to not have some aspects that would be IUU. So the proposals MUST be very careful with regards to allowing for developing countries to grow their small scale fisheries
- **At the same time Overfishing and Overcapacity are the bigger problems –** and the developed country proposals (EU, US, Australia) are not heavy enough in reducing those subsidies which are really harmful.

# MC12 Opportunities: Pro-Development Agenda

- **TRIPS Waiver NOW!** Nothing shows brokenness of global system more than a few Trade Ministers being able to hold hostage billions of people's access to life-saving medicines in a pandemic.
- **Agriculture – a resolution to the Public Food Stockholding**
- **Development Agenda: Special and Differential Treatment (S&DT)** rules must be strengthened and operationalized for all developing countries, focusing on freedom from existing harmful WTO rules which limit the use of evidence-based development policies. Immediately:
  - to **utilize technology transfer**;
  - to make use of **performance requirements such as local content requirements**; and many more key provisions.
  - to have flexibility to expand **artisanal fisheries** while super-subsidizers reduce their overfishing and overcapacity

# Trade Rules Must Not Constrain Food Security nor Food Sovereignty

- All countries should have the right to subsidize food, to protect farmers' livelihoods and to promote rural development, as long as their subsidies and other policies do not damage farmers in other countries.
- The right to subsidize food for the poor, including through direct payments to poor farmers in a **Public Stockholding** program, as proposed in the current negotiations (by the G33 group of 47 countries) should be immediately agreed as essential to promote food sovereignty to ensure food security.
- **Subsidies for products that are exported should be disciplined**, including so-called "Green Box" subsidies.
- Developing countries should have the right to raise tariffs and use other measures to protect farmers' livelihoods, rural development, and food security, especially when facing import surges from subsidized production (as happens in the Caribbean). This ability, called the **Special Safeguard Mechanism (SSM)** in the WTO, must be far more flexible than is reflected in current WTO proposals to be useful. **ACP has had a strong position on this that should be reinforced!**
- Developing countries should be able to exempt products from any potential future tariff cuts as they deem necessary to protect farmers' income, food security and rural development; the Special Products designation in the WTO must be expanded.

# What Next?

- Unless we change WTO rules, not in favor of Big Tech, Big Pharma, Big Finance, but in favor of workers and development, we will experience more economic crises, more displacement, more anti-immigrant sentiment.
- Why join a broken organization? Until it is transformed, fundamentally anti-development aspects overhauled, and the enforcement arm repaired...
- Focus on building capacity for domestic production, structural transformation, food security, stronger public interest regulation, digital industrialization – while you can!
- OWINFS is a global network of nearly 200 civil society organizations from more than 50 countries. For more information, see [www.ourworldisnotforsale.net/fr](http://www.ourworldisnotforsale.net/fr) and contact OWINFS at [djames@cepr.net](mailto:djames@cepr.net).