

## **The Doha Development Round: a recipe for the massive destruction of livelihoods, mass unemployment and the degradation of work**

When the world's trade ministers put their signatures to the founding document of the WTO in April 1994 in Marrakesh, their very first sentence establishing the WTO committed them to raising standards of living, ensuring full employment and a large and steadily growing volume of real income...

Has the Marrakesh miracle materialized? Are employment and livelihoods ensured and steadily growing? No. The WTO's trade and investment rules have taken the world in the opposite direction, and the current negotiations threaten to take us further still.

After ten years under the WTO, unemployment has climbed around the world. The quality of existing employment has often fallen, with an increase in dirty, dangerous and degrading work. Much of that employment is precarious. In fact, many more people are being driven into the informal, unprotected and unregulated economy from both the formal economy and from the devastated livelihoods of peasant and family farming. In transnational corporations (TNCs) many employees increasingly find themselves in a casualised, precarious relationship with the companies they produce for but no longer work for, as many TNCs attempt to distance themselves from responsibility for labour relations based on direct employment by, for example, outsourcing. Many people around the world – workers, women, rural producers – and even entire countries have been forced to give up hope in employment as a means to development and empowerment.

Ten years later, we are in the middle of the so-called Doha Development Round. Have the lessons been learned? Are the trade negotiators offering solutions to address this massive failure? Not a chance. Look at the three main areas of trade negotiations – agriculture, non-agricultural goods and services.

Increased liberalization of trade in agricultural products over the past decade was supposed to bring benefits to all. The only winners were the global agri-food TNCs. These TNCs are driving the overproduction and export of food crops from a handful of producer countries, driving down prices and eliminating millions of jobs, fueling the massive migration of agricultural workers, peasants and family farmers from the countryside and sending waves of dispossessed people into already overcrowded cities or abroad, where they lack the most basic protection of their rights. The WTO's systematic promotion of intensive export-oriented agriculture through the forcing open of markets has intensified reliance on the exploitation of vulnerable seasonal and migrant workers in the world's richest countries as family farming disappears, while the most socially and environmentally destructive corporate production methods are encouraged and even subsidized.

For developing countries, "diversification" into flowers and "niche" products is being promoted as a solution to the collapse of agricultural commodity prices. In the global countryside, there is more unemployment, more hunger, more food insecurity. Those who help to feed the world are increasingly unable to feed themselves. Despite the urgent need for action on the systemic global crisis in agriculture, the real issues are

not on the WTO agenda. And the proposed "breakthroughs" on offer in the preparations for Hong Kong, in which agriculture is used as a bargaining chip for corporate gains in services and the non-agricultural market negotiations (NAMA), threaten to aggravate the situation, taking us further from the rational management of agricultural resources for the satisfaction of human needs rather than corporate profit.

The NAMA negotiations will have a similar effect in developing countries for industrial, fisheries and forestry products. These countries are being pressured to significantly reduce their tariffs on these goods.. Whilst this may lower the costs for these goods, it will often be at the expense of current and future employment. Fisheries and forests provide livelihoods and essential nutrition and medicines for millions of people across the world. Ninety percent of fishers worldwide – nearly 40 million people – are employed in small-scale artisanal fishing and these men and women are overwhelmingly impoverished. A further 13 million are employed in the formal forestry sector and more than 1.6 billion depend on forests for their livelihoods (collecting fuel-wood, medicinal plants and foods, for example). WTO proposals to fully eliminate tariffs in both of these sectors could have extremely serious consequences for these people, both through loss of access to and through the destruction of the natural resources on which they traditionally depend.

The proposed tariff reductions would increase incentives internationally, especially for large commercial trawlers, to fish using highly destructive methods, which would fuel the continued exploitation of an already seriously depleted resource. Local fishers and poor fishing communities would increasingly suffer the impact of dying seas, as large commercial fleets take many of the highest quality fish. There is also a risk of cheap fish imports being dumped in coastal nations with a strong domestic market, making it impossible for fishers to sell their catch locally. Similarly, in the forest sector, even an impact assessment prepared for the European Commission states that developing countries with forest industries protected by high tariffs could "incur considerable environmental and social costs due to downsizing of the industrial capacity and closing some industries entirely."

If cheap imports flood countries with weak industrial sectors, these industries will be wiped out, causing higher unemployment. In countries where such industries are yet to be established, these imports will prevent the development of the kinds of sustainable industrial employment that is often the route to development. Current negotiations will deliver neither decent employment nor development and may cause massive unemployment and the destruction of existing livelihoods, while depriving governments of much-needed tariff revenues. If some employment does eventuate in a few developing countries from this process, this will largely be at the expense of jobs in the more expensive developed countries. But developing countries as well are increasingly competing against each other (as in the textiles sector). Most of these jobs will certainly be low-paid and insecure.

Are services the magic recipe for employment creation? This is the fastest-growing employment sector. The services negotiations depend on governments privatising, outsourcing or otherwise liberalising their services sectors as a basis for being able to make irreversible commitments under the GATS. None of these measures has a

good record in terms of employment: people either lose jobs or have insecure, lower quality and low-paid jobs. Many multinational enterprises are footloose and have a history of quitting as soon as profits slow down or dry up, leaving service workers stranded, competing for more hamburger-flipper or call-centre jobs. Neo-liberals argue that 100 jobs shifting from A to B are still 100 jobs but if they go down by ten with each shift of operations and the security and quality of the jobs go down a vicious spiral, then decent employment goes down the plug-hole.

Jobs are also an integral part of the services negotiations. Under the Mode 4 discussions on the movement of people from one country to another to provide services on a temporary basis, not only will many of those workers be subject to low wages and poor conditions, but their home countries are often going to lose valuable skills – the output of expensive local training programmes – to the North in a brain drain that sees the South subsidise the North for its own unwillingness to provide decent wages and conditions that would keep Northern nurses and teachers in their health and education systems. Mode 4 negotiations simply accept the ‘inevitability’ of mass unemployment in developing countries. The WTO has no mandate to deal with the labour and migration issues raised by Mode 4 negotiations, which should not be part of the GATS. Rather, we believe that longer-term, more secure and rights-based migration programmes are essential.

The current trade->growth->development paradigm is a failure, as even World Bank, IMF and OECD data is beginning to acknowledge. More trade can, under certain circumstances, create growth. Yet we must always ask: what kind of growth; growth for whom? Today it is jobless growth, a phenomenon widely known across the globe. Trade and domestic growth statistics today are meaningless indicators of true national wealth (though they do indicate corporate wealth!), the well being of the people of a country. What ultimately counts is the kind of growth and the pattern of development these statistics describe and whether that pattern tells us that farmers and workers are on the way to obtaining decent incomes and decent working conditions and livelihoods or whether, on the contrary, they can look forward to the continued growth of poverty and insecurity.

The proposals to further liberalize agriculture, industrial production and services will lead to an immense new wave of unemployment and the worsening of existing jobs and livelihoods in developed as well as developing countries at the expense of the profits of a few transnational corporations.

This programme for the massive destruction of jobs needs to be stopped.

The undersigned trade union and civil society organisations call on WTO members to

- put a moratorium on the present negotiations; and
- undertake full public assessments of the employment, social, environmental and cultural impacts of existing trade and investment rules.

The rules governing international trade and investment must be judged according to a single criterion: do they generate progress in the direction of socially and environmentally sustainable economic growth, social progress and greater wellbeing for all?

Or do they take us in the opposite direction, towards social and environmental destruction and massive migration and global insecurity? The verdict is certainly in on the first ten years of the WTO. It is time to change course.