

# **The Colombo Declaration**

## **“10 Years is Enough - No Deal at the WTO Hong Kong Ministerial Meeting!”**

### **Declaration of the Organizations, Movements and Individuals Gathered for the Asian Strategy Meeting on the World Trade Organization, Colombo, Sri Lanka, June 6-7, 2005**

From December 13 to 18, 2005, the World Trade Organization's Sixth Ministerial Meeting will take place in Hong Kong. This event will have massive consequences. Either the WTO finally gets consolidated as the prime mechanism of global trade liberalization, or it unravels a third time, possibly crippling permanently its usefulness as an institution for the promotion of the interests of Northern transnational corporations (TNCs).

### **Dismal Decade**

That the WTO is suffering a deep crisis of legitimacy and credibility as it marks its 10<sup>th</sup> year of existence comes as no surprise to us in Asia. When it was founded in 1995, it was sold to developing and least developed countries as an institution that would bring about growth, reduce global poverty, and decrease income inequality by expanding free trade. A decade later, the evidence is undeniable that the WTO has brought about exactly the opposite effects.

- The Agreement on Agriculture (AOA) has proved to be nothing but a gigantic dumping mechanism for cheap subsidized grain and foodstuffs from the United States and the European Union on the agricultural markets of developing and least developed countries', destroying the livelihoods of hundreds of millions of farmers and agricultural workers and provoking the suicide of many of them and their dependents.
- The Trade Related Intellectual Property Rights (TRIPs) Agreement has functioned to rob our communities of their collective right to resources, seeds, indigenous knowledge and even life itself, and to thwart development by allowing transnational corporations to monopolize technological innovations throughout the whole range of industries. It has seriously undermined people's food sovereignty. By putting corporate profits above public health concerns, TRIPs has facilitated a public health crisis in the form of HIV-AIDS that has drastically setback many parts of Asia as well as Africa.
- The General Agreement on Trade in Services (GATS), with its central principle of “national treatment” providing foreign investors equal rights as national actors, is proving to be an extraordinarily powerful tool for TNC entry into and control of the service sector. This situation is particularly acute for developing and least developed countries which accounts for more than 50% of their gross domestic product. Especially threatened are water, electricity, telecommunications, health, educational and other essential services that necessitate public generation and delivery systems in order to assure all citizens equitable access to them. GATS will lead to the shrinking of the public sector, threatening national sovereignty and provoking serious social unrest.

Although it claims to provide potential benefits to LDCs, the GATS Mode 4 (the movement of natural persons) carries a big risk of allowing big business control of the movement of people, resulting in the trampling of the rights of migrant workers.

WTO-mandated liberalization and WTO-sanctioned dumping have resulted in job losses and welfare erosion across the board, but the brunt of their negative impacts have fallen on women, who make up more than half of the work force in agriculture, industry, and services in many countries but receive lower remuneration, are subjected to worse working conditions, are less protected by labor and human rights codes, and face greater job insecurity than men. Indeed large numbers experience outright exclusion from the labor force, leading to the forced-migration of many. Privatization of basic services also increases the burden of social reproduction for women.

WTO rules also accelerate the marginalization of already vulnerable groups such as dalits and indigenous people who now comprise a significant number of the poor and hungry.

## **The Anti-Development July Framework Agreement**

In a stupendous display of cynicism, the trade superpowers have labeled the current round of trade negotiations the “Doha Development Round.” Yet there is nothing in the Doha Agenda that promotes development. In fact, everything in the so-called “July Framework Agreement” that serves as the basic text to conclude the current round is profoundly anti-development:

- The framework on agriculture is designed to maintain or expand such mechanisms of massive subsidization for Northern agricultural interest such as the “Green Box” or the “Blue Box” while demanding market access to Southern agricultural markets through a new round of steep tariffs cuts, if not outright elimination of tariffs.
- The framework for non-agricultural market access (NAMA) aims to radically bring down and bind industrial and manufacturing tariffs to allow TNC products to flood Southern markets, resulting in unemployment and contractualization, as well as deindustrialization and the inability of developing and least developed countries to use trade policy as an instrument of industrialization. It will also result in greater hardship for already suffering fisherfolk, particularly those in tsunami-ravaged countries, whose livelihoods will be further eroded by NAMA’s proposed liberalization of fisheries.
- The July Framework relegates to the backburner the principal concerns of developing and least developed countries, which are development, the institutionalization of Special and Differential Treatment and addressing problems associated with the high cost of implementing previous liberalization commitments,

## **People’s Resistance and Corporate Response**

Not surprisingly, the pro-corporate agenda of the WTO has provoked massive resistance over the last 10 years. In Seattle in December 1999, the combination of the refusal of developing and least developed countries to rubberstamp a new round of liberalization and massive anti-WTO mobilization by global civil society brought about the collapse of the third ministerial meeting. In Cancun in September 2003, resistance by developing and least developed countries organized into the G-20, G-33, and G-90, where the least developed countries played a critical leadership role, combined with civil society demonstrations and actions inside and outside the Cancun Convention Center that led to the collapse of the fifth ministerial.

To salvage the WTO as an instrument of the TNC agenda, the United States and the European Union successfully mounted an institutional coup in July 2004 wherein the WTO General Council came out with a decree that could only legally be issued by a full ministerial meeting: the now notorious July Framework Agreement. This maneuver, however, could only succeed owing to the cooptation of G 20 leaders Brazil and India as full negotiating partners in the so-called Five Interested Parties (FIPs), with the EU and US designating them to “represent” the South. Once again, the big Northern powers deployed divide-and-rule against the South; once again they succeeded. Once again, the Northern elites stoked the ambitions of their Southern counterparts; once again they succeeded in turning them against their people.

Nonetheless, the resort to threat, deception, and cooptation underlines the fact that developing and least developed countries have lost all faith in the possibility of reforming the WTO so that extraordinary methods must be used to bring them on board.

## **Why No-Deal-in-Hong Kong is the only Viable Strategy**

With nothing to gain and everything to lose by agreeing to the July Framework, the developing and least developed countries must resolutely stand their ground and refuse to make the latest concessions demanded by the big trading powers. Global civil society must consistently pressure the governments of the South to reinforce their determination and force them back into line should they, like the governing elites of Brazil and India, falter. In this connection, we demand that governments put the interests of people above that of transnational corporations.

By refusing to give their consent to the pro-TNC agenda in each of the key negotiating areas in the negotiations leading up to the Hong Kong meeting and during the Ministerial itself, the developing country governments have it in their power to stalemate the latest liberalization offensive. This strategy would, of course, be tantamount to preventing a deal from being reached at the sixth ministerial, but, as in Seattle, as in Cancun, *no deal is better than a bad deal*.

Derailment of the sixth ministerial will not end the threat of free trade to the developing and least developed countries. They will still have to contend with bilateral trade and multilateral trade agreements—the so-called WTO plus agreements—pushed by the US, EU, and Japan. Nevertheless, given the WTO’s centrality in the TNC agenda, a failed ministerial could help bring about a new global power equation marked by more favorable conditions for the achievement of what we consider to be strategic prerequisites for the success of pro-people sustainable development:

- the expulsion of the WTO from the domains of agriculture and fisheries, services and intellectual property rights;
- frustration of the WTO’s aim to de-industrialize the developing countries and least developed countries and make them captive markets for the TNCs;
- and the creation of a trade regime that genuinely promotes pro-people and rights-based sustainable development

In conclusion, we declare our solidarity with peoples and communities fighting back against the WTO and bilateral, regional and multilateral free trade agreements in Asia, Africa, Latin America, and other parts of the world.

We call all to participate in activities taking place within the next few months aimed at preventing a deal from being reached at the Hong Kong Ministerial, be these lobbying activities, mass

mobilizations, and non-violent direct action. We also urge civil and political movements to mobilize and organize activities and actions designed to pressure national governments to protect the peoples' interest. We urge everyone to mobilize their co-workers, families and friends and bring them to the "derail-the-ministerial" demonstrations and events in Hong Kong in mid-December. We also call on developed country governments to desist from the tactics of intimidation and, manipulation that they regularly employ in negotiations...

We, workers, organized and un-organized, peasants, dalits, indigenous peoples, fisherfolks, women, students, migrants and other marginalized communities of Asia in solidarity with other peoples of the world will stand at the forefront of the global struggle against the Hong Kong Ministerial Meeting.

**DUMP THE ANTI-DEVELOPMENT JULY FRAMEWORK!**

**NO DEAL IN THE HONG KONG MINISTERIAL!**

**PROTEST AGAINST THE WTO!**