

ISSUES IN INTERNATIONAL TRADE

□ Agriculture

The negotiations to further liberalize trade in agriculture began in 2000 pursuant to a mandate contained the Agreement on Agriculture. The negotiations according to this mandate, among other things, should take account of experience in implementing reduction commitments; effects of reduction commitments on world agricultural trade; non-trade concerns; special and differential treatment for developing countries; and the establishment of a fair and market oriented agricultural trading system.

The CAIRNS Group of major agriculture producing countries, which includes Australia, New Zealand, Brazil, Chile, Canada, Colombia, Indonesia, Thailand and Hungary, have as their objective in these negotiations the full liberalization of trade in agriculture. This means the removal of all tariff and non-tariff barriers especially in the markets of the European Union, United States, Japan and Switzerland.

With this objective, these negotiations have serious implications for the preferential market access from which countries of the African, Caribbean and Pacific (ACP) group of countries have benefitted.

The negotiations have generated a wide range of proposals which reflect the competing interests of a variety of groups which comprise, in many cases, developed and developing countries.

So far, CARICOM countries have submitted proposals covering market access, green box subsidies, special and differential treatment, non-trade concerns, special agricultural safeguard mechanism, trade preferences, domestic support and export competition, and food aid.

The negotiations are now at the stage of deciding on the modalities to be employed for effecting reductions in tariff and non-tariff barriers. The decision will be taken at the

special negotiating session to be held March 24 to April 1, 2003. The modalities being proposed are the Swiss Formula ($Z = AX/A+X$) which significantly reduces high tariffs across tariff lines, and the Uruguay Round approach which employs a mix of methods such as the traditional request and offer approach and the linear formula approach. Jamaica, its CARICOM and ACP partners favour the flexibility offered by the Uruguay Round approach.

The negotiations for the Free Trade Area of the Americas (FTAA) are now at the stage of making requests and offers for the liberalization of trade in agricultural products. The deadline for submitting initial offers was set for 15 February 2002. During the period February 16 to June 15, 2002 participants will be reviewing and making requests for improvement of offers. The CRNM, on behalf of CARICOM Member States, has submitted the region's initial offer in agriculture. A minimalist approach was used by which there would be an A list – immediate duty free access and a D list of goods to be liberalized in 10 years and over. Sensitive products were excluded. In agriculture, outstanding issues are modalities for the elimination of export subsidies, other practices that distort trade and sanitary and phyto-sanitary measures.

□ Market Access for Non-Agricultural Products (Industrial Products)

Market access for non-agricultural products is part of the expanded negotiating agenda of the Doha Development Agenda. Before the Uruguay Round the focus of negotiations in the GATT was to reduce tariffs on industrial products. Therefore, tariffs on these products are very low. The objective of these negotiations is to remove nuisance tariffs i.e. tariffs between 1-5% and to address the issue of tariff peaks and escalation. The reduction of non-tariff barriers will be a very important issue. The deadline for deciding on the modalities will be May 31, 2003. As with Agriculture, the choice will be between the Swiss Formula and the Uruguay approach unless WTO Members make other Proposals. The USA has proposed the reduction of tariffs to zero (0) by 2015.

In the FTAA, the negotiations are also at the request and offer stage. As in the Agriculture negotiations, a minimalist approach was used by CARICOM for the offer submitted. The outstanding issues are non-tariff measures, and safeguards (there is still no agreement on a definition of an FTAA safeguard, Rules of Origin (CARICOM favours the accumulation and de minimis principles, but specific recommendations on the rules and how to apply them are outstanding), and standards and technical barriers to trade (TBT).

□ Trade in Services

Like Agriculture, the negotiations in trade in Services began in February, 2000 as part of what was termed “the built-in agenda”. Article XIX of the General Agreement on Trade in Services (GATS) mandated that negotiations should commence five (5) years after the establishment of the WTO to further liberalize trade in services. In the intervening years, negotiations had been held to liberalize Basic Telecommunication services and Financial Services. Some work was also done on Movement of Natural Persons, Professional Services and Maritime Services. In the Working Party on GATS Rules, negotiations are being held on an emergency safeguard mechanism, subsidies and government procurement.

In the Doha round of negotiations, the negotiations will cover all services sectors and modes of supply. Pursuant to Articles IV and XIX of The GATS Agreement, the negotiations are to take into account the interests of developing and least developing countries. The negotiations are now at the request and offer stage. The Doha Ministerial Declaration sets two (2) benchmark dates:

1. 30 June 2002 for the submission of initial requests for liberalization of services
2. 31 March 2003 for the submission of initial offers

Jamaica has received requests from 6 WTO Members. These are: USA, Japan, Canada, Panama and India. The requests cover a range of services including distribution, financial, professional, transport (maritime), and tourism services.

Beginning this month, the Ministry of Foreign Affairs and Foreign Trade will begin consultations with stakeholders on the services negotiations with a view to developing Jamaica's requests and offers for submission to the WTO.

In FTAA, these negotiations are also at the request and offer stage. A CARICOM meeting on Services is to be held March 24-26 to review the region's initial offer before it is submitted and to consider requests received from WTO Members and CARICOM's offer to WTO Members.

□ **Trade Remedies (Antidumping Practices, Countervailing Measures, Safeguards)**

The WTO Agreements providing trade remedies are the 1994 General Agreement on Tariffs and Trade, the Agreement Implementing Article VI of GATT 1994 (the Agreement on Antidumping Practices), the Agreement on Subsidies and Countervailing Measures, and the Agreement on Safeguards. The latter three Agreements were plurilateral Codes agreed during the GATT Tokyo Round which elaborated the relevant articles of the 1947 GATT Agreement. These Codes were converted into multilateral Agreements during the Uruguay Round.

Under the Doha mandate, negotiations are taking place in the Negotiating Group on Rules to clarify and improve the provisions of the Agreements on Antidumping Practices, and Subsidies and Countervailing Measures.

In the FTAA, work in the negotiating group on Antidumping practices has been stalled because of the insistence of the USA and Canada that they would only negotiate new anti-dumping rules during the post Doha WTO deliberations.

□ **Subsidies (including Fisheries Subsidies)**

The Agreement on Subsidies and Countervailing Measures (the SCM Agreement) provides the disciplines for the provision of subsidies by Governments. Currently, it is applied mainly to industry, The Agreement on Agriculture has its own subsidy regime. The SCM Agreement utilizes the traffic light system, red – prohibited subsidies, yellow – actionable subsidies, and green – non- actionable subsidies. Prohibited subsidies are those which provide export incentives and/or stipulate the use of domestic over imported inputs. Non-actionable subsidies are used to promote, among other things, research and development, development of disadvantaged regions, and adaptation of existing facilities to new environmental requirements. All other subsidies are actionable. Developing countries had until 2003 to phase out the use of prohibited subsidies and all subsidies have to be notified to the WTO.

Over the period of the implementation of this Agreement, many developing countries, especially those in Africa and the Caribbean, certain countries in Asia and Latin America, have expressed their concern about the extent to which this Agreement and the Agreement on Trade-related Investment Measures (TRIMS) have limited the measures which can be used to promote their development objectives. In 2001, in the period leading up to the Doha Ministerial Conference, Jamaica initiated work in the WTO to extend, under Article 27.4 of the Agreement, the time- frame for the use of the prohibited subsidies. Trade Ministers at Doha agreed that to grant a five-year extension to 2007. WTO Members wishing to avail themselves of this extension have to notify the Committee on Subsidies and Countervailing Measures which will review the notification and take a decision. Jamaica was granted the extension in 2002.

Like Antidumping, under the Doha mandate, the provisions of the SCM Agreement are to be clarified and improved in the Negotiating Group on Rules.

Fisheries Subsidies, although a trade and environment issue, will be addressed in the Negotiating Group on Rules along with other subsidies issues.



□ **Trade and Environment**

Trade and Environment was introduced into the Uruguay Round late in the negotiations. Ministers at the end of Round decided to establish a Committee in the WTO to study the issue. Work in the Committee on Trade and Environment has been quite contentious as many developing countries felt that it was a social issue(like Core Labour Standards) which did not belong in the WTO. Developing countries feared that trade-related disciplines on environmental issues would merely become a new set of conditionalities to be imposed on them.

Many developing countries had firmly opposed the introduction of trade and environment into an expanded WTO negotiating agenda. However, at Doha, Trade and Environment was included in the negotiating agenda. The Negotiations will focus mainly on clarifying the link between the Multilateral (Trade-related) Environmental Agreements (MEAs) and the WTO/GATT rules. There are several trade-related MEAs such as the Convention on Bio-diversity, Basel Convention on the Movement of Hazardous Wastes, CITIES, the Montreal Protocol. Jamaica is party to many of these Agreements. The mandate also calls for the liberalization of trade in environmental goods and services.

The negotiations on the link between GATT rules and MEAs are progressing very slowly. The negotiations on environmental goods and services will take place in the market access negotiations in the negotiating sessions on agriculture, industrial products and services. With regard to market access, the special negotiating sessions of the

Committee on Trade and Environment will focus on defining environmental goods and services.

A number of trade agreements now have environmental elements especially agreements involving Canada and the European Union. Canada tried to introduce the idea of an environmental agreement into the FTAA, but this was not accepted by the other countries.

Both Canada and the EU are now conducting environmental impact assessments of the various trade agreements in which they are involved. In fact, the assessments being conducted by the EU are more broad-based as they are sustainability assessments and examine not only the environmental impact, but also the social and economic impact of the trade agreements.

□ Implementation Issues

After the establishment of the WTO, work progressed on the implementation of the agreements, developing countries began to realize how burdensome were the Uruguay Round obligations they had undertaken. From the Singapore Ministerial Conference of 1996, developing countries began to call for a review of the UR obligations and felt that rather than attempting to introduce new issues into the WTO, the priority should be on addressing implementation issues which was of primary importance to developing countries. Leading up to the Seattle Ministerial Conference, most developing countries felt that any new round of trade negotiations should focus on the built-in agenda issues (agriculture and services) and on implementation issues.

Following Seattle, as a confidence building measure, work began in the WTO on implementation issues. Developing countries submitted proposals on a large number of issues covering nearly all the agreements. In the preparatory sessions leading up to Doha, some issues were identified on which consensus could be achieved. At Doha, the Decision on Implementation Issues and Concerns was adopted. The outstanding issues

were to be addressed under the supervision of the General Council with some issues referred to the relevant subsidiary bodies. A report on progress was to be submitted to the General Council by the end of December, 2002.

There has been little or no progress on the outstanding implementation issues and concerns.

❑ **Special and Differential Treatment**

Special and Differential Treatment (S&D) is another issue, like Implementation Issues, which is of great importance to developing countries. The Government of India initiated work in 2000 under the auspices of the Group of 15 on Special and Differential Treatment in the WTO Agreements. India and other developing countries were concerned about the failure of the developed countries to meet S&D obligations in the UR Agreements and the fact that many of the S&D provisions are mere exhortations.

The concept of S&D for developing countries was introduced into the GATT when PART IV of the GATT Agreement on trade and development was added in the 1960s. S&D was formalized in 1979 during the Tokyo Round of Multilateral Trade Negotiations (MTN) with the adoption of the Enabling Clause (which, among other things, address the Generalized Scheme of Preferences and Regional Arrangements among developing countries). The Enabling Clause is actually the Decision on Differential and More Favourable Treatment Reciprocity and Fuller Participation of Developing Countries.

The Doha Mandate on S&D recognised that S&D is an integral part of the WTO Agreements. In fact, S&D is regarded as such an important development issue in the WTO that it has been placed under the supervision of the Trade Negotiations Committee (TNC). The dedicated sessions of the Committee on Trade and Development (COMTD) to address the S&D issues is chaired by Jamaica's Permanent Representative to the WTO, Ambassador Ransford Smith. The Doha Declaration mandates the review of S&D

provisions with a view to strengthening them and making them more precise, effective and operational.

In the period of the deliberations, over 80 proposals were tabled in the Committee. The developed WTO Members were slow to respond to the proposals. They also want the dedicated session to discuss more cross-cutting issues such as the future of S&D, differentiation and graduation. Developing country Members, such as Paraguay, made proposals opposing the granting of preferential treatment to select groups of developing countries outside of the provisions of the Enabling Clause.

To meet the deadline of July 2002 for his report to the General Council, the Chairman's report reflected the lack of progress. A new deadline of December 31 , 2002 was set, but, at this deadline, there was still little progress. Consensus has been achieved on only on only 4 of the over 80 proposals. The Chairman proposed several options to the General Council, but as of the General Council Meeting of 10 February 2003, work on S&D has been stalled.

□ Small Economies

Consideration of the special problems and concerns of Small Economies was initiated in the Commonwealth. The issue was later introduced in the negotiations for the Free Trade Area of the Americas (FTAA). It was introduced into the WTO in October 1998, when it was first placed on the agenda of the Committee on Trade and Development. Reference to small economies was included in the Geneva Ministerial Declaration of 1998.

However, it should be noted that small economies is a very unpopular issue in the WTO both among developed and developing Members, including the Least Developed Countries, and staff of the WTO Secretariat.

CARICOM countries were among those countries which lobbied for agreement at Doha to include a work programme on small economies in the Work Programme of the WTO. The Doha mandate states that a work programme should be established to examine issues relating to the trade of small economies and to frame responses to the trade-related issues identified for the fuller integration of small, vulnerable economies into the multilateral trading system, and not to create a sub-category of WTO Members.

So far, work in the Committee on Trade and Development has been very disappointing. The Commonwealth Secretariat has been assisting the Geneva-based Small Economies Group (chaired by Mauritius) to prepare for the meetings and to draft proposals. A paper was submitted by the Group outlining the special problems and concerns of small economies and a paper containing seventeen proposals was also tabled. Other papers being considered in the Committee are prepared by the WTO Secretariat at the request of the Members of the Committee.

To date, outside of participation of individual countries and the Commonwealth Secretariat in the Geneva small economies group and the Commonwealth Intergovernmental Group of Trade Experts, CARICOM, as a group, has played little role in the work of the Committee.

One of the problems in the Committee has been the definition of a small economy and the need not to create a sub- category of countries. The proponents of the work programme now includes countries in the Caribbean including Dominican Republic and Cuba, the Pacific and Indian Oceans, countries in Africa (Swaziland), South America (Bolivia) and Central America. The developed Members have also asked to be given some idea of what should constitute a work programme on small economies. There are also problems with the proposals tabled as questions have been raised as to the distinction between the issues raised and the similar concerns of other developing countries.

Deliberations on the Work Programme on Small Economies is to be completed prior to the 5th WTO Ministerial Conference to be held in Cancun, Mexico ,10-14 September 2003.

In the FTAA, a Consultative Group on Small Economies was established from an initiative of CARICOM countries. Smaller economies, although not defined, have gained recognition in the FTAA as the Member States have accepted the concept of differing levels of development within the hemisphere. The agreement reached states that “the size of economies and level of development” should be taken into account in the negotiations. The practical concessions (the level of S&D) to be gained as a small economy in each of the negotiating groups will determine the success of the FTAA negotiations for Member States of CARICOM.

□ Technical Assistance and Capacity-Building

This is another issue of great importance to developing countries who have argued that the implementation of WTO Agreements requires extensive reform of their trading regime, the drafting of new legislation, institutional strengthening and human resource development. The Doha Ministerial Declaration confirms that technical co-operation and capacity-building are core elements of the development dimension of the multilateral trading system. It also states that priority should be accorded to small, vulnerable and transition economies. The decision was also taken that technical assistance in the WTO should benefit from secure and predictable funding.

The Doha Development Fund was established to assist developing countries prepare for the negotiations and was established with initial pledges amounting to Swiss Francs 30m.

The WTO's technical and capacity- building assistance consist primarily of training courses, seminars, workshops and technical missions. Capacity-building related to

institutional strengthening must be provided by other international organizations and donor countries. There is a debate in the WTO about the definition, scope and coverage of trade-related capacity –building assistance. Some developed countries are of the view that this assistance should not extend beyond implementation of WTO Agreements and preparations for negotiations.

In the FTAA, the 7th Ministerial Meeting held in Quito, Ecuador in November 2002 approved the proposed Hemisphere Co-operation Programme (HCP) which is geared towards assisting smaller economies to adjust and take full advantage of the FTAA. The HCP is regarded as a central element of FTAA and is to be supervised by the Consultative Group on Smaller Economies (CGSE). The HCP is to give support to the countries in terms of preparations for the negotiations, implementing the FTAA Agreement; and adjusting to the integration process. The countries are required to develop national action plans to initiate the process for requesting and obtaining technical assistance.

❑ Regional Trade Agreements and the Multilateral Trading System (Regionalism vs Multilateralism)

Regional Trade Agreements have proliferated since the establishment of the GATT in 1948. However, the two most advanced regional integration processes remain the European Union and the Caribbean Community. Since the establishment of the WTO and the Committee on Regional Trade Agreements, in 1995, nearly 200 free trade agreements have been notified to the WTO. The Committee, so far, has only issued a ruling on the compatibility with WTO rules of one RTA.

GATT/WTO instruments related to regional trade agreements (RTAs) are Article XXIV of GATT 1994, its Understanding and the Enabling Clause. It should be noted that the Caribbean Community (CARICOM), although an agreement among developing countries, was notified under Article XXIV as it was established in 1974 and thus pre-

dates the Enabling Clause adopted in 1979. CARICOM reports biennially to the Committee on its integration process. Recently, CARICOM's Services regime was notified to the WTO.

There has long been a debate on the relationship between regional arrangements and the multilateral trading system whether or not they complement each other. UNCTAD has done quite a lot of work on this issue. The issue is also on the agenda of the WTO Committee on Regional Trade Agreements but not much work has been done.

At the Doha Ministerial Conference, it was decided that the provisions on regional trade agreements will be reviewed and clarified or improved as part of the negotiations on Rules (Antidumping, Subsidies, and RTAs). These negotiations are important to CARICOM as a RTA, and to the FTAA and ACP/EU Negotiations. Proposals are still being submitted in the Negotiating Group.

□ Dispute Settlement (Review of the Dispute Settlement Understanding [DSU])

The Decision on the Application and Review of the Understanding on Rules and Procedures Governing the Settlement of Disputes mandated a review of the DSU five (5) years after its implementation. This review should have been completed in 1999 prior to the Seattle Ministerial Conference. Many proposals were tabled, but there was not the political will to complete the work and to make any meaningful changes to the DSU.

The mandate to review the DSU was renewed at the Doha Ministerial Conference. The review is to be completed before the Cancun Ministerial Conference in September 2003. Many proposals have been tabled by WTO Members, including one from Jamaica. The Review is now progressing to the stage of consideration of draft texts.

The FTAA will have a dispute settlement mechanism and negotiations are in progress.

❑ **Trade Related Intellectual Property Rights (TRIPS)**

The review of Article 27.3 of the Agreement (on patentable subject matter) has been in progress for some time and will be continuing in the TRIPS Council. At Doha, it was also mandated that work should be undertaken on Geographical Indications as it relates to Article 24 and the expansion of the product coverage from only wines and spirits. Geographical Indications requires a close link between the product and the geographical region from which it originates.

The other important issue under this agreement is TRIPS and Public Health. The Declaration on TRIPS and Public Health was adopted to facilitate the provision of cheaper drugs for the treatment of HIV/AIDS and other epidemics. Paragraph 6 of the Declaration called on WTO Members to find an expeditious solution by December 2002 to the problem of the use of compulsory licensing by countries with insufficient or no manufacturing capacity in their pharmaceutical sectors. The deliberations in the WTO TRIPS Council ran into problems in December 2002 when the USA refused to accept the Chairman's compromise text of 16 December 2002. The sticking point was the coverage of diseases. The Doha Declaration, in its first paragraph, on the coverage of diseases speaks of "HIV/AIDS, tuberculosis, malaria and other epidemics". Developing countries want the draft Decision to remain faithful to the language of the Doha Declaration which they feel offer a wider coverage of diseases which could include cancer and diabetes. The USA, acting in the interest of its pharmaceutical industry, wants to restrict the language of the text to only HIV/AIDS, tuberculosis and malaria. In an effort to provide a compromise the USA has offered a moratorium on dispute settlement action to those Members which notify the WTO that they are producing generic versions of patented drugs. The European Commission also trying to find a compromise offered that a list of diseases should be included as a footnote in the draft Decision and the World Health Organization (WHO) could be consulted on whether a diseases had reached the stage of an epidemic.

The developing Members led by the African Group find these proposals unacceptable.

Another issue of importance to Jamaica and CARICOM countries is the consideration of regional trade agreements as single domestic markets. The language of the specific paragraph currently does not include CARICOM, which is in the process of establishing the CSME. The language states that the RTA to be considered as a single domestic market must have LDCs making up half its membership. CARICOM only has one LDC, Haiti.

The deadline of December 2002 was not met and no agreement was reached at the meeting of the General Council on 10 February 2003. This issue remains at stalemate in the WTO.

In the FTAA, one of the main contentious issues is that of how to incorporate other international intellectual property agreements (particularly the WTO TRIPS Agreement) into the FTAA negotiations.

□ Singapore Issues

At the first WTO Ministerial Conference held in Singapore in 1996, it was agreed to establish work programmes in the WTO on several new issues. These were:

1. Trade and Investment
2. Trade and Competition Policy
3. Transparency in Government Procurement
4. Trade Facilitation

In the period leading up to the Doha Ministerial Conference in November 2001, the proponents of these issues, developed and developing Members, lobbied hard to have these issues included in the expanded negotiating agenda. The developing countries of Africa, the Caribbean, and certain Asian and Latin American Countries remained opposed to their inclusion in the negotiations.

However, at the Doha Conference, language was included in the Declaration which stated that a decision would be taken at the 5th WTO Conference, by explicit consensus, on the modalities for the negotiations. In the interim, work would be undertaken in the Working Groups on Trade and Investment, and Trade and Competition Policy in preparation for the negotiations. In Trade Facilitation, the Council for Trade in Goods would undertake work on Articles V (Freedom of Transit), VIII (Fees and Formalities) and X (Publication and Administration of Trade Regulations) of the GATT 1994 Agreement. Transparency in Government Procurement would continue to look at the elements for a transparency agreement.

In the FTAA, there are separate negotiating groups on Investment, Competition Policy and Government Procurement. Investment is also at the request and offer stage. CARICOM has submitted its initial offer using a negative list approach. In Competition Policy, the negotiating group is working towards a revised chapter with significantly fewer brackets by May 2003. In Government Procurement, which is also at the request and offer stage, CARICOM has until July 15, 2003, to submit its initial offer. Regional consultations on the offer are to be held in Jamaica during March.

□ Rules of Origin

The WTO Agreement on Rules of Origin established a work programme to harmonize the general Rules of Origin (laws, regulations and administrative rulings applied by governments to determine the country of origin of goods, services or investment). This work was being undertaken in both the WTO and the World Customs Organization (WCO) and should have been concluded already.

The FTAA will be negotiating preferential rules of origin. Preferential Rules of Origin are “ those laws, regulations and administrative determinations of general application applied by any Member to determine whether goods qualify for preferential treatment

under contractual or autonomous trade regimes leading to the granting of tariff preferences going beyond the application of GATT Article 1 (1).’’

The harmonized general Rules of Origin will not apply to imports under regional preferential arrangements or the GSP.

❑ **Electronic Commerce**

A Declaration on Electronic Commerce was adopted at the Geneva Ministerial Conference in 1998. This Declaration introduced a moratorium on the application of customs duties to electronic transactions and established a study programme on electronic commerce. The moratorium remains in place. Trade Ministers at Doha agreed to continue the work programme and to report to the 5th WTO Ministerial Conference.

This issue was introduced into the FTAA, but work has been suspended.

❑ **Trade, Debt and Finance**

A Working Group on Trade, Debt and Finance in the WTO was established under a mandate contained in the Doha Ministerial Declaration. This was a request of developing countries and, at present, is primarily a study programme. UNCTAD has done quite a lot of work on this issue especially following the Asian Financial Crisis of the 1990s.

❑ **Trade and Transfer of Technology**

A Working Group on Trade and Transfer of Technology was established in the WTO under a mandate contained in the Doha Ministerial Declaration. This was requested by the developing countries and, at present, is primarily a study programme. UNCTAD has done a lot of work on this subject.

❑ Trade and Culture

This subject was introduced by Canada in the deliberations leading up to the Seattle Ministerial Conference. This issue has been discussed in UNESCO. The objective is to protect a country's cultural products such as arts and crafts, music, etc. This is not a well-developed issue in the WTO, but it is one in which the Ministry of Education and Culture has keen interest.

The United Nations has addressed certain aspects of this issue and the GATT 1994 Agreement provides an exemption to the application of GATT rules for the protection of national treasures of artistic, historic or archaeological value.

In this issue, it will be very important to define and identify cultural goods and services. This will probably be addressed in the market access negotiations in agriculture, industrial products and services. Another issue which could be address is the treatment of government subsidies to cultural industries.

❑ Core Labour Standards

This issue was introduced by the United States and other developed WTO Members at the first WTO Ministerial Conference in Singapore in 1996. It concerns the observation of the seven (7) or (8) core Conventions of the International Labour Organization (ILO) the fundamental principles of which include:

1. freedom of association and recognition of collective bargaining
2. elimination of all forms of forced or compulsory labour
3. abolition of child labour
4. elimination of discrimination in employment and occupation

This issue, pushed by the USA (Clinton Administration), became particularly controversial and contentious at the Seattle Ministerial Conference in 1999. Many developing countries feel strongly that the issue of Core Labour Standards does not belong in the WTO and should remain in the ILO. In their view, labour practices in many developing countries is a symptom of poverty and should not be subject to the WTO dispute settlement mechanism. Currently, the ILO is addressing the issue of trade and labour in its study of the social dimension of globalization, and the WTO Secretariat is collaborating with the ILO. WTO Members in successive Ministerial Declarations have recognized the status of the ILO as the competent body to set and deal with labour standards.

The US Republican Bush Administration is unlikely to be as aggressive as the Democratic Clinton Administration in promoting this issue. The issue, which has proven to be a politically sensitive issue in the WTO, if re-introduced, could be the single issue to derail the Doha negotiations.

Jamaica's Trade Union Movement, from the perspective of the competitiveness of labour, has been urging the Government to support the issue of core labour standards in the WTO.