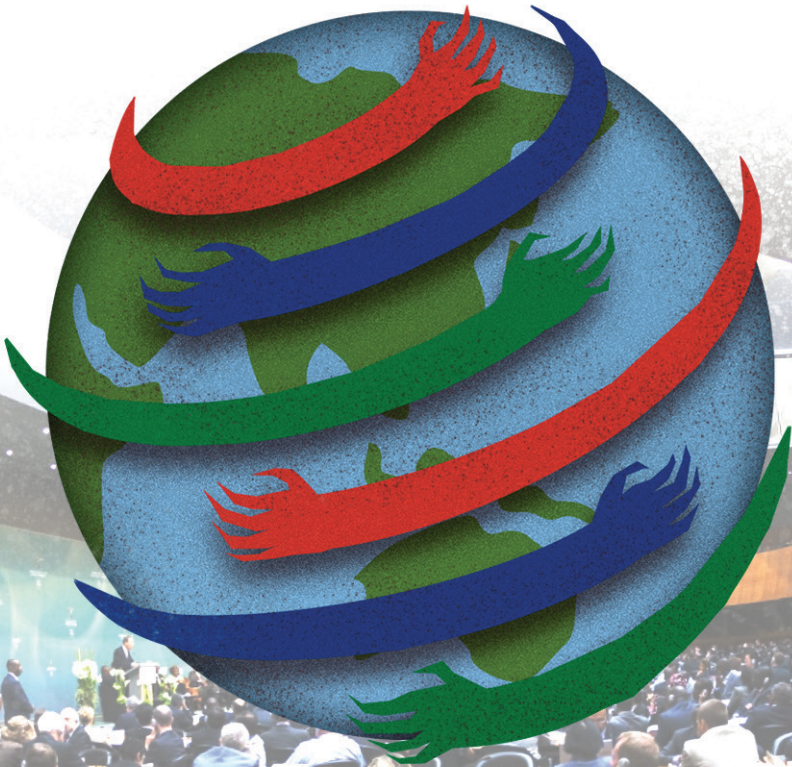


The WTO Ministerial Conference in Buenos Aires

LOCKING IN NEOLIBERAL GLOBALIZATION AND CORPORATE POWER



People Over Profit Network

People Over Profit is a campaign network that unites peoples movements and NGOs across the globe to stop free trade agreements (FTAs) and corporate plunder. These corporate-backed agreements threaten our democracy, our rights, and our lives. They cover an expansive and increasingly worrying array of areas and issues which multiply impacts across sectors and communities, and provoke wide-ranging resistance in many countries.



People Over Profits is a contribution to the building of a global popular resistance against FTAs and transnational corporate plunder. We promote and support peoples' resistance around the world against FTAs and other forms of neoliberal corporate attacks by sharing analyses, information and coordinating actions at the national, regional and global levels.

As attacks against our rights become ever more acute, so shall our collective resistance. We demand no less than living wages for workers, land to the tillers, and access to free and accessible medicines, public health care and education. We fight for a pro-people trading system that is forged along the principles of solidarity, cooperation and complementarity among nations. A system that recognizes and upholds people's sovereignty and people's rights; premised on friendship and peaceful co-existence, and directs the accountability of States and the private sector to the people – a world trade order that responds to people's needs, not to corporate elites.

People Over Profit Network Secretariat

Address: Asia Pacific Research Network (APRN) 114 Timog Avenue, Diliman QC

Telephone: 927 7060 to 62

Email: peoplevsfreetrade@gmail.com

Facebook: fb.me/peoplevsftas

Twitter: [@peoplevsftas](https://twitter.com/peoplevsftas)

On December 10—13, 2017, Buenos Aires, Argentina will host the 11th Ministerial Conference of the World Trade Organization (WTO). The meeting comes at a time when bilateral and mega free trade agreements have come to fill the vacuum caused by the deadlock in the WTO negotiations. Now, rich industrialized countries and their transnational corporations are pushing to use the WTO to clinch new rules that they are trying to achieve in other free trade agreements: rules to expand and strengthen corporate power, intensify the plunder of the world's natural and human resource, and stave off the next overproduction crisis of the global monopoly capitalist system.

What are the agenda of big business in the WTO MC-11 in Buenos Aires?

Rich countries and their transnational corporations are aggressively pushing for pro-business and anti-people new rules on e-commerce, fish subsidies, and domestic regulation. Meanwhile, the WTO's promise of 'development' is buried as unjust trade rules still operate. If left unchallenged, these new rules will further increase the profits of transnational corporations and drive peoples of poor and underdeveloped countries into deepening crisis, inequality and poverty.

- **Proposals to limit government regulation of services against public welfare:** Developed countries and their corporations can examine domestic regulations on qualification, licensing requirements for service providers, and technical standards. Under MC11 proposals, these will be open to questioning and influence from developed countries and their corporations to encourage the entry of more foreign, private services providers.
- **Proposals for pro-big business e-commerce rules:** Proposals will write rules that will allow tech giants to dominate e-commerce at the expense of small and medium enterprises, and will violate people's privacy. These proposals include prohibiting requirements to hold data locally; prohibiting to have a local presence in the country; prohibiting impose border taxes on digital products such as music, videos, software, etc.; prohibiting regulation of cross-border data transfers; prohibiting requiring open source (free and unlicensed) software in government procurement contracts.
- **Proposals to end fisheries subsidies:** Governments will be banned from allocating support for developing their fisheries industries, including for developing/purchasing/improving vessels and gears for small fisherfolk.
- **Proposals to end subsidies for agriculture:** Developing countries will be forced to cut down their already small subsidies (called de minimis) for agricultural development. On the other hand, developed countries are allowed to continue their subsidies to their farmers through direct income payments.

WTO: A Checkered History

The World Trade Organization (WTO) was founded in 1995. It aims to increase international trade in goods, services and agriculture through multilateral negotiations. It also serves to enforce adherence to WTO agreements through its dispute resolution process.

The neo-liberal free market policies of the WTO have attracted widespread criticisms and protests. It endorses export processing zones in developing countries where working conditions are poor and safety standards are absent, creating a “race to the bottom” to attract foreign investments. Its promotion of global agribusiness has led to food crises in developing countries. Its push for financial market deregulation has contributed to the global financial crisis. The WTO has also expanded and enforced intellectual property rights in favor of corporations at the expense of consumers.

Over the last decade the WTO has stalled on new agreements, with only one agreement reached between all its members: the 2013 “Bali Package” on trade facilitation. The WTO has shifted instead on smaller agreements involving fewer countries such as the WTO Environmental Goods Agreement which aims to remove tariffs on products considered good for the environment. However, only 17 countries out of the 164 member states are involved in the deal, and an agreement has not yet been reached.

The result of the WTO’s shortcomings has been an increasing number of bilateral and regional free trade agreements being negotiated outside the WTO framework. These include the Trans-Pacific Partnership (TPP) the Regional Comprehensive Economic Partnership (RCEP), the Transatlantic Trade and Investment Partnership, and the Trade in Services Agreement (TiSA). These deals usually contain provisions that go beyond the multilaterally agreed trade regulations.



How will the WTO MC 11 Agenda impact farmers' livelihoods?

After decades, many countries still reel from the disastrous consequences of WTO's neoliberal policies. These are particularly felt by farmers from poor and underdeveloped nations with the implementation of the Agreement on Agriculture (AoA) which inundated local markets with cheap subsidized agricultural products from developed countries and destroyed local agricultural production systems.

In 2015, the elimination of agricultural export subsidies has been touted by the WTO as "the most significant outcome."

However, these subsidy reductions have been one-sided and in favour of developed countries. Under the AoA, developed countries were allowed to continue their large subsidies, whilst developing countries that had not provided subsidies were allowed to undertake minimal support (de minimis). WTO MC11 proposals will further cut down developing countries' already minimal support for their farmers. In contrast, developed countries will continue subsidizing their farmers by paying them a basic income, a support not enjoyed by poor farmers in developing countries who lack any form of protection from the influx of cheap agricultural products from developed countries.

Farmers cannot expect any remedies to the damage of the AoA from the WTO MC11. Significant outcomes have yet to be achieved on developing country demands on agriculture. These include special safeguard mechanisms (SSM) for agriculture (the option for developing countries to increase their tariffs in times of surges of imports), and public stockholding for food security (the option for governments to buy agricultural goods at fixed prices, for storage and distribution in the future). Even if governments agree on permanent solutions to the public stockholding issue and SSM, these will not be enough to reverse the agricultural decline and loss of livelihoods experienced by farmers in developing countries.

How will the WTO MC 11 push fisher folk deeper into poverty?

Developed countries' push to limit subsidies on fisheries will further impoverish fisher folk who are among the poorest of the poor in many developing countries. Limiting the already scarce subsidies for the fisheries sector of poor countries will leave fisher folk, especially small-scale and subsistence fishers, without support from their governments to improve their livelihoods, such as access to better and safer fishing equipment.

These ill-supported fisher folk stand no chance in competition with modern industrial fishing companies which operate in developing countries' waters through agreements allowing such exploitation, while in other cases, the fleet-owners circumvent regulations by registering their vessels in the developing country, while exporting the fish they catch back to their home countries. Already, the vast expanse of the world's seafood trade is under the control of a handful of companies, with just 13 of them controlling 40% of the largest and most valuable fish stocks.

Box 2

The investigated thirteen seafood		
Company	Headquarters	Market
Maruha Nichiro	Tokyo, Japan	A globally operating seafood company active in most segments of seafood production
Nippon Suisan Kaisha (Nissui)	Tokyo, Japan	A globally operating seafood company active in most segments of seafood production
Thai Union Frozen Products	Samutsakorn, Thailand	The world's largest canned tuna producer and fifth largest shrimp farmer (2011)
Marine Harvest	Bergen, Norway	The world's largest salmon producer and the most actively traded in stock in the seafood sector
Dongwon Group	Seoul, S. Korea	A national (75% of Korean canned tuna market share) and world leading tuna producer (together with Thai Union)
Skretting	Stavanger, Norway	A leading salmon salmon feeds producer
Pescanova	Pontevedra, Spain	The world's second largest shrimp producer and the largest fishing company in the European Community
Austevoll Seafood	Storebo, Norway	The world's largest fishmeal company and second largest salmon producer
Pacific Andes	Hong Kong, China	The world's second largest fishmeal producer
EWOS	Oslo, Norway	A leading salmon feeds producer
Kyokuyo	Tokyo, Japan	Similar to Maruha Nichiro and Nissui, but relatively more limited operations
Charoen Pokphand Foods (CP Foods)	Bangkok, Thailand	The world's largest shrimp farmer and the largest shrimp feeds producer
Trident Seafood	Seattle, USA	The largest seafood company in North America

This large-scale extraction of marine resources by industrial fishing is pushing marine ecosystems to the brink of total destruction. A total of almost 80% of the world's fisheries are fully- to over-exploited, depleted, or in a state of collapse. Worldwide about 90% of

the stocks of large predatory fish stocks are already gone. The depletion of ocean fish stock because of industrial overfishing has disrupted oceanic ecosystem. The economic cost of overfishing and marine depletion is tremendous, but especially for poor and underdeveloped countries, where fisheries are indispensable part of their economies and provide livelihood and food for small-scale and artisanal fisheries.

Historically, rich industrialized countries enabled overfishing and the advancement of their own fisheries sector through subsidies. Of the \$35 billion that the global fishing industry received every year in government subsidies, 65% is from rich industrialized countries. The top three subsidizing countries are Japan, China and the United States (see Box 3). The European Union as a block is also significant. Poor and underdeveloped countries have smaller economies, so they cannot subsidize their fisheries as much.

Box 3

The top 3 subsidizing countries in the global fishing industry	
Japan	\$4.54 B
China	\$4.51 B
United States	\$4.09 B

Limiting subsidies for fisheries under the guise of preventing overfishing penalizes poor countries and their fisher folk, while letting rich industrialized countries and their large fishing companies go scot-free and continue ocean grabbing. There are also initiatives to criminalize the livelihoods of small-scale and subsistence fishers by tagging these as “illegal, unreported, and unregulated” fishing activities. Small-scale and subsistence fishers would be separated from their fishing grounds, forcing them to abandon fisheries and take one of the options out of rural poverty: wage labor and migration.

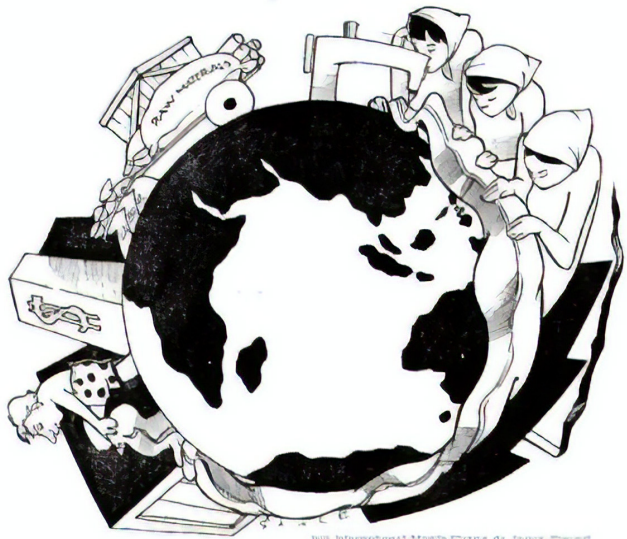
How will the WTO MC 11 Agenda intensify the exploitation of workers?

E-commerce and domestic regulations proposals if implemented will erode hard-won rights that workers have struggled for. The current thrust of the so-called technological revolution in e-commerce is increasing labor flexibility wherein corporations can set wages, fire employees at will, change their work hours, etc. Companies like Uber, Lyft, Instacart, and Handy are already harnessing technological advances to old-fashioned worker exploitation. Workers are rebranded as “independent contractors”. Not only do they earn less for longer hours, but they also lack basic protections such as overtime pay, living wages, security of tenure, and healthcare.

Likewise, automation and artificial intelligence can displace workers. According to a World Bank report in 2016, many jobs are at risk of being replaced through automation: 47% in the United States, 65% in Argentina, 77% in China, 85% in Ethiopia. A recent UBS Group report noted that in developing countries, two-thirds of all jobs, but mostly low-skilled jobs, are in danger of being replaced via extreme automation.” The e-commerce proposals will accelerate the pace of automation and make it more difficult to protect workers from negative impacts, especially those employed in construction, extraction, and manufacturing.

The current negotiations on services revolve around making domestic regulations on licensing, qualification, and technical standards more “reasonable”, “objective”, “transparent” and “not more burdensome than necessary. However,

hiding behind the agenda of “transparency and openness” in the process of developing technical standards is the agenda of big businesses’ to achieve greater involvement in the planning and finalization of any new regulation or legislation that could impact their operation and profit. Through this, corporations can challenge as subjective or arbitrary any regulations that apply environmental, social, and regional development considerations, or the rights and concerns of the local community, or even regulations that protect workers’ rights. For instance, the American multinational retail company Wal-mart demands the easing restrictions on hours of operation, which can mean longer working hours of its employees.



<https://goballians.wordpress.com/globalization-and-women/>

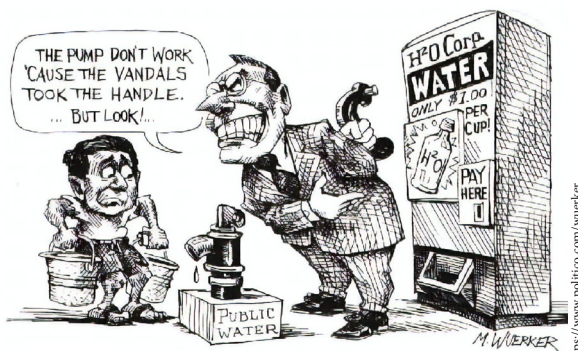
Through this, corporations can challenge as subjective or arbitrary any regulations that apply environmental, social, and regional development considerations, or the rights and concerns of the local community, or even regulations that protect workers’ rights. For instance, the American multinational retail company Wal-mart demands the easing restrictions on hours of operation, which can mean longer working hours of its employees.

Jobs will come under threat too, as governments cannot require foreign services firms that set up inside the country to use local content that supports local businesses and provide job opportunities for local workers.

How will the WTO MC11 Agenda affect people's access to quality public services?

Corporate agenda in the WTO is also seen in the push for new rules limiting domestic regulation of services, which can severely diminish people's access to quality public services. Current WTO rules on market access and national treatment (giving equal treatment between domestic and foreign investors) are already facilitating not only the entry of foreign investors in the services sector of developing countries, but also speeding up the privatization of public services such as water, health, and energy making them less accessible to the poor.

Rich industrialized countries and some of their allies in the developing world are keen on making the services sector more open for increased competition with foreign services corporations.



The proposed rules at the WTO MC-11 on domestic regulation

are not new: they hark back to previous attempts of rich industrialized countries and their transnational corporations at the WTO and in different mega free trade agreements to liberalize and deregulate services.

The goal of the proposed rules in the WTO is to make sure that regulations (see Box 4) are “reasonable”, “objective”, “transparent” and “not more burdensome than necessary to ensure the quality of the service”, and further that the technical standards should be developed in an “open and transparent process.”

The proposal could pave the way for foreign corporations' capture of public services. The open ended and vague language on “least burdensome” could be used by foreign big commercial interests to challenge the provision of affordable and accessible public services such as those on education, healthcare, water, or energy, especially for the poor, if they proved to negatively affect private service providers' profit margin.

Big corporations could demand equal treatment with regard to government spending policies, decisions, and procedures. That means that government would no longer be able to give preferences or advantages to citizens or local firms. Bids for supplies,

contracts, and projects (including privatization deals) would have to be opened to foreign corporations who should be provided with the same chances as locals. If foreign firms thought that government decisions unfairly favored local firms, they could bring the matter to court in the WTO. This process can accelerate the already increasing trend of privatization of public services. Once privatized, vital and quality services for the public would no longer be accessible to the majority of poor and marginalized communities as these services would now increasingly come with a price.

Box 4

Domestic Regulations under attack at the WTO MC11

Qualification requirements refer to procedural rules that compel service providers to demonstrate competence and proof of practice or accreditation in their area of expertise. Traditional professions and specialists such as engineers, lawyers, telecom technicians, and electricians are covered by these. In times of market failures or poor practices, governments may introduce new qualification requirements.

Licensing requirements is the authorization needed by service companies and/or personnel in order to operate: banks, transport operators (bus, ferry, taxi, rail, ports, airports), utilities and networks (telecoms, satellites, ISPs), importers and customs agents, foreign exchange dealers, security firms, and personnel agencies.

Technical standards are measures that define the characteristics or the manner in which a service is supplied. These include health and safety codes, consumer protections, town planning and zoning, bank opening hours, etc.

How will the WTO MC11 Agenda violate people's privacy?

The e-commerce proposal at the WTO MC 11 poses great risks to people's security and privacy, perpetuate tax dodging by transnational corporations, prevent technology transfer, and in some cases, can negatively affect a country's sovereignty.

Prohibition on data localization or storing and processing data inside the country will enable export of data by technology giants as well as service providers in insurance, tourism, online education, mining, etc. These companies will be free to store and process data offshore, wherever and however they want, often, without the consent from data providers (such as consumers). Companies like Google, Amazon and Facebook are already using the personal data of their users, repackaging them and selling them for

profit to other companies without the users' knowledge or consent. This information is used to generate more profits through targeted marketing of products to consumers. Companies such as Uber could not be compelled to store financial records of local transactions for taxation purposes in the many countries where they operate.

The e-commerce proposal at the WTO also includes a ban on access to, or mandatory disclosure of, source codes of softwares. In countries that hold automated elections, disclosure of source codes for the software of the voting system is crucial for the review of a third-party organization to check for defects and weaknesses which will be undetected if the code is kept secret by the service provider. This ensures the reliability and security of the system that will collect and count people's votes.

How will the WTO MC11 Agenda perpetuate economic dependency and backwardness of developing countries?



The WTO stands as the most comprehensive and far-reaching instrument for promoting neoliberal globalization and strengthening monopoly capitalist control over the global economy. The WTO perpetuates economic dependency and backwardness of developing countries by allowing giant corporations based in the imperialist countries and their partners in the South to tighten their stranglehold over developing countries' system of production and distribution goods, services, and knowledge. The WTO MC11 Agenda does not depart far from this institution's tradition and history.

The WTO will further diminish the agriculture sector of developing countries by allowing developed countries to continue with massive subsidization and protection of their own agriculture and agri-businesses, but preventing developing countries from doing the same actions even at a far more reduced level. Countries in the global South that aspire to develop their own fishing industry will not be able to do so because of fisheries subsidies ban. Meanwhile, big fishing vessels from EU, Japan, China, or US enjoying huge fuel subsidies will have a field day dumping their sea catches on poor and underdeveloped countries' markets.

Overall, the WTO MC11 will mean intensified competition between countries in the global South, worsening the race to the bottom. Corporations will pit countries off against each other in their search for the cheapest, most docile labor and laxest environmental and safety regulations. As new technologies enable cross-border supply of services, jobs can easily be moved from one country to another, but without protecting workers from abuses such as unsafe working conditions, summary retrenchment, and other unfair labor practices.

In the current global digital order, the US control global networks of digital intelligence, while poor and underdeveloped countries are pushed to the margins. The proposed e-commerce norms at the WTO will consolidate the dominance of the technology bigwigs over digital technologies, infrastructure, services, and data, without the need for transferring technology to developing countries in order to aid their own industrialization.

With the ability to move labor, inputs, capital, and data across national boundaries, corporations would be able to locate their operations in countries with weak regulation and the lowest taxes, exacerbating tax evasion and illicit financial flows. Developing countries have lost around \$620 – 970 billion in 2014, mainly because of trade fraud. At the same time, efforts are underway to extend the existing moratorium in the WTO on tariffs on e-commerce transactions. These lost revenues could have been used to finance public investments in health care, education, and infrastructure, especially in developing countries where taxes and duties are critical sources of revenue.

What are the peoples' calls?

The WTO was borne out of the need for monopoly capital to control natural resources and export markets and to protect capital interest against appropriation and competition. The WTO rewrites the rules for global trade and production to serve the expansionist goals of monopoly capital and is one of its instruments of governing power over national markets and the world economy.



In their struggle for system change, peoples and their organizations are calling for the abolishment of WTO. This is a crucial step for peoples in the global South towards

delinking from the imperialist chain that leaves their economies and resources exploited and their peoples' rights and sovereignty violated. Its abolishment must make way for the establishment of a non-capitalist, socially just, equitable, and sustainable global trade system, to do this people's movements should struggle for:

Economic cooperation based on complementarity, equality, and solidarity. Economic cooperation among states should be pursued on the basis of complementarity, equality, and solidarity, and should be aligned to people's rights and development priorities. This cooperation should also extend towards assisting the economically weakest countries, setting up of fund to assist their development of infrastructure, support for the repayment and/or cancellation of their foreign debt, addressing climate change, and building of knowledge-based, self-reliant and sustainable agriculture systems that would support food sufficiency in every country.

Development agenda that addresses people's needs and demands. Peoples must take back the right to formulate policy on matters affecting their own communities, reclaiming the policy space hijacked by the WTO, International Monetary Fund, World Bank and other imperialist-controlled multilateral formations. We must move from a "development agenda" framed by the WTO towards one that addresses farmers, workers, indigenous peoples' needs and demands.

Strike down corporate power. The political power of big businesses is tied to their intimate relationship with governments. Contrary to claims peddled by neoliberal thinkers, capitalism has never diminished the role of government in the realm of economics. In fact, government as an instrument of power has never been more important for capitalism than today. Political contributions from corporations and lobbying tied to political money should not be allowed. The revolving doors between big business and government must be shut.

Strengthen people's collective power over the economy. We need to strengthen the foundations of our local economy that is people-powered and democratic. Reinstating people's sovereign power over the commanding heights of the economy is crucial to achieve economic democracy. Productive resources and assets, such as land, machines, tools, infrastructure, and capital must be subject to democratic, collective, and community-based forms of ownership and management. Workers, poor peasants, women, Indigenous Peoples, and other disempowered classes, groups, and communities must be at the helm of designing, directing, and implementing the production and distribution of goods and services. The objective is for working peoples to manage and administer the production of goods and services generated by their own labor, for the purpose of increasing their quality of life, not profit.

What should be done?

The struggle ahead at the WTO in Buenos Aires in December 2017 demands our organized effort. We need coordinated actions to raise-awareness, consolidate our ranks, and mobilize as many from our communities and sectors to resist the corporate agenda that threatens our peoples and planet.

Spread the word: Help us spread the word by conducting awareness-raising activities in your area such as seminars, workshops, and fora.

Organize actions: Join protest actions Buenos Aires, and elsewhere in the world on December 10 against WTO. Sign on to People Over Profit's unity statement "Trade for the People, Not Corporate Elites" and receive updates on our upcoming activities.

Reach out to media: Share materials through print & social media and engage the press by writing an opinion piece or organizing a media conference.

References:

- Bahety, S., & Mukiibi, J. (2017). WTO fisheries subsidies negotiations: Main issues and interest of least developed countries. Geneva: CUTS International Geneva.
- Gould, E. (2014). The Really Good Friends of Transnational Corporations Agreement. Public Services International and Our World Is Not For Sale.
- James, D. (2017, November 17). Corporate Power, E-Commerce, and the World Trade Organization. Retrieved November 23, 2017, from Common Dreams: <https://www.commondreams.org/views/2017/11/17/corporate-power-e-commerce-and-world-trade-organization>
- James, D. (2017, June 26). State of play in the WTO towards the 11th Ministerial in Argentina. Retrieved November 23, 2017, from Third World Network: <http://www.twn.my/title2/twe/2017/641/1.htm>
- James, D. (2017, May 16). Twelve Reasons to Oppose Rules on Digital Commerce in the WTO. Retrieved November 23, 2017, from Counterpunch: <https://www.counterpunch.org/2017/05/16/twelve-reasons-to-oppose-rules-on-digital-commerce-in-the-wto/>
- Kelsey, J. (2017). The Risks for ASEAN of New Mega-Agreements that Promote the Wrong Model of e-Commerce. Auckland: ERIA.
- Kelsey, J. (2017). TiSA Foul Play. Nyon: UNI Global Union.
- Letter from Global Civil Society about the Agenda of the WTO (2017, October 9). Retrieved November 27, 2017, from 11th WTO Ministerial – Letter from Global Civil Society about the Agenda of the WTO: <https://systemicalternatives.org/2017/10/16/11th-wto-ministerial-letter-from-global-civil-society-about-the-agenda-of-the-wto/>
- Österblom, H., Jouffray, J.-B., Folke, C., Crona, B., Troell, M., Merrie, A., et al. (2015). Transnational Corporations as 'Keystone Actors' in Marine Ecosystems. Plos One .
- People Over Profit. (2017, October 17). People Over Profit. Retrieved November 24, 2017, from Sign-on Statement: System overhaul, not makeover!: <http://peopleoverprofit.online/sign-on-statement-system-overhaul-not-makeover/>
- Sumaila, R., Lam, V., Le Manach, F., Swartz, W., & Pauly, D. (2016). Global fisheries subsidies: An updated estimate. Marine Policy , 189-193.
- The New York Times. (2017, April 10). The Gig Economy's False Promise. Retrieved November 24, 2017, from The New York Times: <https://www.nytimes.com/2017/04/10/opinion/the-gig-economys-false-promise.html>

This publication was made possible through the support of the following organizations:

Asian Peasant Coalition (APC)
Bagong Alyansang Makabayan (BAYAN)
International Indigenous People's Movement
for Self-Determination and Liberation (IPMSDL)
International Migrants' Alliance (IMA)
International Women's Alliance (IWA)
Kalikasan People's Network for the Environment
People's Coalition on Food Sovereignty (PCFS)
Pesticide Action Network - Asia Pacific (PAN-AP)
IBON International
WORKINS
Asia Pacific Research Network (APRN)
International League of Peoples' Struggles (ILPS)

