

# The road to and from Cancún



*Labour delegates **Tanya van Meelis** and **Tony Ehrenreich** recount their time in Cancún and evaluate the role of labour: Were we sell-outs? Coopted through corporatist approaches? Too busy enjoying the sand and sun in the luxury resort to ensure working class interests were promoted? Or were we in part responsible for the proclaimed victory of civil society movements for discrediting the WTO?*

Imagine a bad week in your diary where you are overbooked, overstretched and overwhelmed by the amount of information you need to get through. Imagine then this situation exacerbated and that's what Cancún was. We had meetings with other unions, meetings with the NGOs, full delegation meetings twice a day, frequent task team meetings, bilaterals with other delegations, plenary sessions, and press conferences (to hear what other delegations and groupings were saying). What was also going on were green room sessions (though these were often very limited in terms of the number of people who could attend and labour was not part of the green room delegations), head of delegation meetings, senior official meetings etc.

The South African delegation was divided into four teams by the head of delegation, Minister Alec Erwin – agriculture, non-agricultural market access (NAMA), Singapore issues (ie

transparency in procurement, competition policy, trade facilitation and investment), and other issues including environment and trade, services, intellectual property.

Given the range of activities we prioritised working with the government delegation on NAMA and the Singapore issues since these could have a major impact on workers and the working class of SA. We engaged with NGOs and the unions where possible. These other civil society formations, both accredited and non-accredited played a very active role in highlighting problems with the WTO and the issues being discussed, organising actions, engaging the media, holding meetings, workshops and discussions, and alerting the world to the negative impact of WTO agreements and the imbalance in world trade. The tragic suicide of a Korean farmer in one of the protests clearly focused attention on and symbolised the devastation caused by certain WTO agreements.

Key activities when working with the government delegates included ensuring that agreements reached at Nedlac were adhered to; that we highlighted the implications for workers and the working class of various proposals that arose; and that we contributed our knowledge and experience.

Prior to the government finalising its position to take to Cancún, after engaging us at Nedlac, it also held a National Consultative Conference. Labour attended the conference and made inputs in the different commissions as well as in plenary. The key principles to guide negotiations put forward by the Cosatu second vice president, Joyce Pekane, in her address to the plenary included:

- Not accepting any cut in tariffs or negotiation on the new issues that could result in job loss or the ability of the government to drive development.
- Developed countries should improve



access for developing countries without requiring further concessions from our part.

- The North must end measures to support agricultural subsidies where they effectively prevent exports from, or undermine production in, the South.
- TRIPS must ensure that African countries have access to affordable medication as and when needed. That means that developing countries must be allowed to produce, import and export generic medication when and as they see fit.
- Basic services – that is, services that the state must supply to bring about development – must be ringfenced from GATS. That includes at least health, education, electricity, water and welfare services.
- We as South Africa are a symbol of democracy throughout the world. We must maintain that reputation by supporting the fight for more transparency and democratic decision making at the WTO.

#### The draft text

At Cancún, after engagements at various levels, the WTO issued a draft text. The format of the text itself was highly controversial since it put forward one set of proposed wording without bracketing alternate positions. A stark example of this is that even in the light of some 70 developing countries expressly stating their opposition to starting negotiations on investment, the text proposed starting negotiations on investment. The text did not provide many advantages for South Africa – indeed, it posed many dangers. While the text itself could be the subject of an article, we highlight a few issues to demonstrate the disadvantages for SA:

- There was not sufficient movement

on cutting back of subsidies for agriculture in developed countries.

- Deep and far reaching tariff cuts were proposed.
- There were proposals to launch negotiations on trade facilitation, transparency in procurement, and investment.

What sunk Cancún? Pascal Lamy, the European Commission head of delegation captures succinctly what happened when he reported to his constituency that: 'We failed quite simply because the gap between the parties' negotiating positions remained too wide to be bridged.' Some say it was the refusal of developing countries to negotiate on the new issues that sunk Cancún. Others say that it was the lack of political will of the US and EU to move on agriculture. Furthermore, others say that it was an issue of incorrect timing and that an agreement may have been reached if there was more time.

All these may well have contributed to the failure to reach agreement, but in our view, a decisive factor was the emergence of the G21 plus – a grouping of countries including Brazil, India, South Africa and China, that challenged the EU and US on agriculture. The G21 plus represented more than 50% of the world's population and held firm in spite of reports of attempts to split it. In this regard, it was a wake-up call for the WTO and represents a significant shift in the balance of power internationally

#### Future challenges

While it is better to not have an agreement that would further disadvantage South Africa, the status quo still means that imbalances from previous rounds remain. Most notably, agricultural subsidies and limited market access to developed markets remains.

We also anticipate that the US and EU will aggressively pursue their interests in bilaterals. This will not only put increased pressure on us in the currently being negotiated US-SACU free trade agreement (FTA), but it also threatens to divide countries as the US and EU pursue a divide and rule strategy. Key challenges for us include engaging in the US-SACU FTA with caution, and building solidarity with and ensuring that the coalitions such as the G21 plus remain strong.

We also need to focus on how we, as part of civil society, can contribute to building an ever strong and vibrant force that can protect and advance progressive interests. We need to examine how we continue to build links both with other unions and civil society formations.

We need to continue to examine, in detail, the impact of various formula promoting tariff reduction. We need to ensure that we address tariff peaks and escalations in developed countries that still effectively bar certain products from developing countries from entry and make it more difficult to export manufactured goods as opposed to raw materials. It has been agreed at Nedlac's Trade and Industry Chamber, that labour, government and business will continue to engage on the NAMA formula and that the outcome of the engagement will be fed in to the ongoing negotiations in Geneva.

A further challenge may be to see how we can promote South-South trade to help build a counterweight to our reliance on access to developed country markets.

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