

Joint-Letter of Trade Unions expressing concern on the Government of India hosting a
Trade Ministers Meeting on 3-4 September 2009

3 September 2009

Mr. Anand Sharma
Minister for Commerce and Industry
Government of India
New Delhi

Dear Mr. Sharma,

With the current developments in the WTO, it is evident that the present negotiations are not in the interest of India. Giving less in agriculture and want to take more in industrial products by industrialized countries is highly objectionable and absolutely not to the benefit of workers and working people involved in agriculture or in manufacturing activities.

This situation is a cause of concern for all trade unions. We the Indian trade unions express our deep concern over the present turn of the negotiations on AoA, NAMA modalities, TRIPS and Services. We believe that it will lead to far-reaching tariff liberalization, which will not only grossly affect economic development but also severely affect employment and working conditions of millions of workers in India and other developing countries. We are also deeply distressed by the fact that the Government of India has not taken any initiative to discuss these issues with trade unions and people's organizations that represents a large number of workers and working people whose life and livelihood will be affected by these negotiations.

Key issues of Concern and Demands for the current Doha round of negotiations:

1. **Publish White Paper on the Doha Round Negotiations:** The Government of India has consistently kept the primary stakeholders, the people of the country and even the Parliament in the dark not only about the process of the negotiations but also about the strategy that it is adopting in the current spate of negotiations. It is a key responsibility of a democratically elected government to publish a **White Paper on the Doha Round Negotiations** before embarking on any negotiation.
2. **Reject the Swiss Formula in NAMA:** The implementation of the Swiss Formula in NAMA negotiations will force developing countries to make steeper tariff cuts than developed countries leading not only to huge revenue loss but also endangering domestic industry and hence employment and livelihoods. Adopting a flat coefficient rate for all countries also undermines the less-than-reciprocity approach that was the underlying principle of the Doha Round initially. In fact the present approach to the Swiss formula violates the principal with which it was originally proposed where in differential treatment in favour of developing countries was aimed at providing them with preferential treatment for development. In the present form the Swiss formula will only further undermine autonomy of developing countries in exercising their development choices.
3. **Discard the Anti-concentration Clause in NAMA:** The Anti-concentration Clause, which was added in the December 2008 draft, would mean that developing countries will not be able to protect an entire industry, or even significant parts of a sector, from the application of the Swiss Formula. The draft

also mandates that countries like India would have to commit to zero or extremely low tariffs in at least 1-2 sectors. This will be detrimental to the development of certain key new sectors and also destroy many of the traditional industries like fisheries.


4. **Remove Negotiations on Non-tariff barriers from Doha Round:** The first round of trade negotiations involved a complete elimination of the system of quotas, a non-trade barrier, which was primarily used by developing nations to protect their domestic industries. This was done on the pretext of freeing trade from non-trade barriers. The current phase of negotiation is trying to bring in new forms of non-trade barriers that will be advantageous to developed countries and will bar many products produced in developing countries from entering the markets of developed countries. The US agenda of 'green' production if included will keep a large number of products from the developing world out of the markets of developed countries.
5. **No concessions in Agreement on Agriculture:** According to the July framework, developing countries could flexibly assign Special Product (SP) status to a number of products or tariff lines and all SPs would be eligible for the Special Safeguard Mechanism (SSM). From 20% SP, it is alleged that India is now willing to negotiate on the basis of the December 2008 draft that allows only 12% SP with only 5% of the tariff lines exempt from cuts. This concession is unacceptable as it will severely damage the agricultural sector which is already in grave crisis. This proposed concession seems absurd if viewed with the fact that both the EU and the US are unwilling to cut their agricultural subsidies which will give them an additional edge in agri-product trade. Under these circumstances, India must withdraw completely from any further negotiations on the Agreement on Agriculture.
6. **No to further liberalisation of services:** Trade in services is three times the value of trade in agriculture. WTO service sector include business, communication, construction and engineering, distribution, education, environment, financial, health, tourism and travel, recreation, cultural and sporting, and transportation. Interests regarding trade in services vary greatly within a countries and sub-sectors. Domestic protection differs between countries and the sector as a whole does not to adopt common postures at trade negotiations. The issues differ as well. Transnational corporations play a pivotal role. One mode of service delivery is through the establishment of commercial presence, and so concerns over foreign direct investment, and its attendant regulation, become intertwined. Natural monopolies or oligopolies are common, and so issues of market power can be relevant as well. With an economy in which almost 54% of the GDP comes from services of which a considerable section is in the public sector, liberalisation of this sector would have very serious implications not only with regards to employment but also with regard to delivery of these services.
7. **Protect our Ecosystem and Community Rights by rejecting implementation of Intellectual Property Rights:** Last but not the least is the TRIPS provision. The issues of protecting biodiversity and traditional knowledge, which once again impacts our ability to create resilient farming and ecosystems amidst food and climate crises have been undermined by the new regime of intellectual property protection and the negotiations are not moving towards safeguarding people's interests. Knowing the fact that India has proposed an amendment to the TRIPS Agreement to reconcile the conflict between the Convention on Biological

Diversity and TRIPS and also to address the question of bio-piracy, we urge the Govt to stand by their position and not dilute it by making the obligation proposed under the treaty merely voluntary rather than mandatory.

In view of the foregoing we call upon the Government of India to closely examine the manifesto commitments on the WTO of the various parties in the UPA Government and ensure that the position that the UPA Government pursues on the WTO is set out in a white paper and discussed in the Parliament. Furthermore, Government must ensure that it does not make any commitments without consulting the parliament and state legislatures and that reference to the legislature must be preceded by extensive consultation with trade unions, agricultural workers organisations, peasant organisations and other social movements.


We call upon the Government of India to act within the democratic framework of this republic and hence ensure that its actions protect, and do not in any manner undermine, the livelihood of the working people of this country who constitute the republics vast majority.


Sincerely,

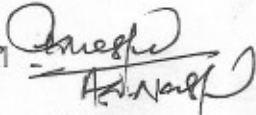

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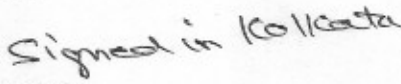
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