

Talking Points for WTO Hong Kong Ministerial

Crisis in WTO Negotiations: It's the Model, Not France

From December 13 to 18, the WTO will hold its sixth ministerial meeting in Hong Kong, China. Rather than just discussing trade, the fate of public services, the global food supply, domestic health and safety regulations, global access to life-saving medicines, jobs, and development are on the negotiating table.

Negotiators are attempting to portray the crisis in negotiations WTO as though the problem were the lack of European (particularly French) or Brazilian "ambition" to break through the deadlock.

1. But the real issue is that the WTO is in crisis because the entire model is actually geared to increase the power of corporations in the global economy, not promote economic growth or development. The power-grab of the WTO to go beyond the issues of "trade" and into governance of public services, intellectual property, agriculture, and more, has failed to promote economic growth or development, the WTO's alleged basic mandate. For ten years, the WTO has facilitated a surge in global trade – and yet has failed to produce real economic growth or alleviate poverty. Now the ten-year record is clear, global social movements and many governments are questioning the WTO's attack on sovereignty, democracy and the ability of poor countries to develop. Many are beginning to refer to the Doha talks as the "unemployment round" for its attacks on economic opportunities for the majority.

2. Not only is the WTO's record dismal, but future prospects look even dimmer. New figures show much less global economic growth from the current WTO round than originally projected. According to a recent study released by the World Bank, the current negotiations could expect at best merely between \$18 and \$119 billion. Even if the entire world were liberalized completely, total gains would be only \$287 billion, of which only 27% would reach developing countries – that's growth of only .7% of world GDP. Many developing countries would be net losers, according to the study. Other models of economic growth have historically much higher levels of development than even the supporters of the WTO claim.

3. The WTO not only fails to increase economic growth, it also *increases* economic inequality – making the poor poorer, while a few rich take the modest benefits. After ten years of the WTO, poverty and hunger have increased – over 24,000 people die each day of hunger and poverty related diseases. These problems are exacerbated by the massive corporate patent monopolies in the WTO system, which involved massive transfers of wealth from poor countries to rich patent holders, and deprive millions of life saving medicines. The WTO's emphasis on privatization of public services like water, education and health care deprive millions of poor people of essential services. Other models – such as focusing on investments in health care and education – have proven to alleviate poverty far more effectively.

3. The failure of the 6th Ministerial will actually throw the WTO into a deep crisis. After failing to launch the so-called Millennium Round in 1999 in Seattle, this current round of negotiations was launched in Doha, Qatar in 2001. A second ministerial collapsed amidst massive civil society protests in September, 2003. Talks were supposed to have been wrapped up by January 2005, yet are still stalled on the basic framework. *If modalities are not completed by March, it will be extremely difficult for negotiators to wrap up the final negotiations in time to send the final agreements to the US Congress before the expiration of Fast Track negotiating authority in July 2007.*

4. The 6th Ministerial of the WTO follows on the heels of another failed ministerial, the Summit of the Americas in Mar del Plata, Argentina. The Bush administration attempted to use the meeting to jump-start the stalled FTAA talks, but the meeting ended without even a declaration. A similar scenario is likely for Hong Kong, because the same broken, corporate-driven model is being used.