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PRESS RELEASE

FOR IMMEDIATE RELEASE

April 22, 2003

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NGOs Call for Broad UNCTAD Mandate to Assist Poor Countries

Concerns that Industrial Countries Are Trying to Undermine UNCTAD

Geneva - A group of non-governmental organizations (NGOs) expressed concern today that the United Nations Conference on Trade and Development (UNCTAD) is being pressured by a few industrialized nations to narrow its mandate to assist developing countries. The groups expressed these concerns during an open hearing with UNCTAD officials in Geneva in preparation for the upcoming UNCTAD XI Ministerial in June in Sao Paulo, Brazil.

The NGOs called for UNCTAD to focus its resources on issues impacting developing countries, including the global farm commodity crisis, and the impact of regional and bilateral trade deals on developing countries. The groups are concerned that recent proposals by certain industrialised countries sideline developing countries demands and undermine UNCTAD's independence.

"For eight years, the U.S. has been trying to wipe out UNCTAD's role -- and the UN-based commitment to development -- from trade," said Kristin Dawkins, Vice President for International Programs at the Institute for Agriculture and Trade Policy. "The World Trade Organization's mandate is narrowly focused on commercial trade, and fails to consider all the social dimensions of economic policy. We need both stronger rules governing transnational corporations at the global level and greater flexibility at the national level -- with UNCTAD doing both the analytical work and the multilateral institution-building needed to manage trade for development."

The NGOs called on the UNCTAD XI Ministerial to address low commodity prices, and improve international support measures for development in Africa and other Least Developed countries.

"The fatigue that characterizes the international community's response to the collapse in the commodity economy owes much to a laissez faire climate that states that since markets are the key determinants of prices and are functioning well, little good can come from interfering with them," said Chandrakat Patel, of the South and East African Trade Negotiations Institute. "Therefore, over time, continuing reliance on market signals will help shift resources from less efficient and productive sectors, encourage diversification and improve overall productivity. This view must be challenged; failure to deal with the commodity crises will result in further declines in incomes, export earnings, increased debt and a setback to reforms."

"To be true to its mandate, it is crucial that UNCTAD takes the lead on promoting solutions that would effectively benefit poorer people and countries," said Celine Charveriat, of Oxfam International. "UNCTAD must be ready to make far-reaching proposals and resist the pressure from some industrialized countries to limit its role. Given the current state of trade negotiations, the upcoming UNCTAD XI must address crucial issues for developing countries such as special and differential treatment in agriculture."

UNCTAD XI must also propose concrete steps to address the collapse of commodity prices, which is still one of the biggest causes of world poverty today."

"In the early 1990s fierce battles were fought behind closed doors about whether the World Trade Organization would or would not be established as a special agency of the United Nations. It was not. The resulting schism in global governance - with trade interests riding rough shod over crucial developmental and environmental concerns - looks all set to widen as the U.S. and the EU seek to turn the tables completely, demoting UNCTAD to a specialized agency of the WTO," said Ronnie Hall, of Friends of the Earth International.

The groups also called for greater coherence between all the international institutions that developing countries must deal with, including the World Trade Organization, World Bank, International Monetary Fund, Organization for Economic Cooperation and Development (OECD) and other UN agencies.

"The international Status Quo does not allow for an international development which is compatible with the global needs to grow, to generate wealth and to overcome poverty," said Iara Pietrikovsky, of the Brazilian Network on Trade (REBRIP).

The groups called for establishing a system of global governance where the UN agencies are the focal point and platform on which coherency would be built; the burden of compliance would be on the Bretton-Woods institutions and WTO.

"If we are to get true development for all, we need all hands on deck; that means that all hands, all agencies, playing their role, not the current situation where it is not just that the left hand doesn't know what the right hand is doing but that the right is actively chopping off the left," said Mike Waghorne, of the trade union federation Public Services International.

For more on NGO perspectives on the UNCTAD XI meeting, go to: iatp.org/unctadxi.

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