



UNCTAD 14

Nairobi, 17–22 July 2016

FOURTEENTH SESSION OF THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT



Preparatory Committee for the fourteenth session
of the United Nations Conference on Trade and Development

Second Hearing with Civil Society
Thursday, 26 May 2016, 10 a.m.–1 p.m.
Room XXVI, Palais des Nations

Written input from
International Trade Union Confederation

Disclaimer: The views expressed are those of the authors and do not necessarily reflect the views of the UNCTAD secretariat. The input has been circulated as received.

ITUC statement for UNCTAD public hearing

Lacking appropriate policy responses by governments and international organisations, the world is facing immense challenges that threaten sustainability.

- Scientists agree that if the current model of production and consumption does not change fundamentally, the environment will be damaged irreparably and humans will struggle to maintain the achievements of the last centuries.
- Various forms of inequality are on the rise causing a shared sense of social injustice, and a loss of trust in governments.
- As political cohesion is cracking in many regions of the world, more and more people suffer from internal conflict and other direct threats to life and livelihoods.

Against this background, UNCTAD has an important role to play in building consensus for a new economic model that will use investment, trade, taxation, financing, and technology to the attainment of the Agenda 2030 global goals.

In particular, the ITUC advocates that UNCTAD should (**investment**):

- Develop a new framework for International Investment Agreements that establishes investors' legal responsibility and procedures for accountability, including with mandatory due diligence across supply chains;
- Reform its current framework to help countries to denounce International Investment Agreements that establish investor to state dispute settlement mechanisms,
- and instead promote a new type of International Investment Agreements focused on investment facilitation and promotion;

On **climate change**, UNCTAD should develop a role, in particular to:

- Formulate policy options for new trade rules that would promote industrial transformation and a just transition to a low-carbon economy;

In the **trading system**, UNCTAD should

- Assist consensus building among the membership of the World Trade Organisation to deliver the mandate of the Doha Development Agenda. We cannot accept that UNCTAD could be helping the agenda of a minority of government who want to proceed with inserting new issues on WTO's agenda, without first addressing the development issues that were recognised by all as priorities about 15 years ago, and are still to be addressed.
- **Very importantly**, Conduct research to understand how the rules set out in bilateral and regional trade agreements, WTO plurilateral and multilateral agreements, and International Investment Agreements contribute to or impede the implementation of the 2030 Agenda;

On **debt restructuring**, UNCTAD shall lend its support in:

- Building capacity to involve developing countries in the implementation of the Base Erosion and Profit Shifting Action Plan (BEPS) in a systematic and institutionalised manner;
- Contributing expertise to the United Nations to promote international cooperation to eliminate tax avoidance and evasion

UNCTAD has produced excellent analysis on structural transformation –in fact, the slow pace of structural transformation many developing countries face. UNCTAD should continue its excellent work and demonstrate the limitations of the development model which is based on Global Value Chains, while illustrating trade and industrial policies that help countries develop.

In particular, we call for

- shifting the focus from value-creation and productivity-increase to value-capturing and building bargaining power in all UNCTAD research;
- Taking new initiatives to address the imbalance of power in global production networks, and in particular, helping small producers and their workers capture more of the value they create, starting with a focus on sectors where women are the majority of producers and workers;

The UNCTAD could do more to increase analysis and policy formulation (and advice to governments) with regards to social policies. In particular:

- Increasing cooperation with the ILO, including in conducting research, to identify new trade and investment rules that would reverse the downward pressure on labour's share of income and the deteriorating state of labour rights globally;
- Formulating policy to address and redress the feminisation of precarious work, especially in global production networks, including through proposing and advocating the adoption of new trade rules and gender-sensitive industrial policy; would help workers increase their welfare and achieve the 2030 Agenda goals with their own means – their labour and their skills.