Joint Session between FfD and Post-2015 Processes: Interactive Dialogue with Major Groups and Other Stakeholders (23 April 2015)
Statement by Tessa Khan, APWLD

I’m speaking today on behalf of the Asia Pacific Forum on Women, Law and Development, the Women’s Major Group, and the Women’s Working Group on FfD.

In both the financing for development negotiations and the post-2015 development process, attention is given to trade policies as an instrument for sustainable development, both within the World Trade Organisation and preferential trade and investment agreements. The question of how to align those policies with our objectives here requires us to urgently re-order the hierarchy of obligations to which many Member States currently subscribe. It is a question of policy coherence at its most stark.

The ability of governments to regulate in the interests of sustainable development, gender equality, and the human rights obligations by which they are legally bound continues to be eroded by preferential agreements that cover vast amounts of global trade. These agreements, including the Trans Pacific Partnership which would cover one third of global trade, have moved far beyond lowering traditional trade barriers and into regulation of key areas of public policy; regulation that is frequently backed by procedurally suspect investor-state dispute settlement that result in multimillion-dollar awards against governments attempting to regulate in the public interest. The level of bias and procedural unfairness within this dispute settlement system has led even leading international arbitrators to call for its overhaul.

Among recent cases brought in this system are challenges to Egypt’s attempt to increase the minimum wage, and El Salvador’s right to keep drinking water sources unpolluted by extractive industry.

Is this the meaningful trade liberalisation that supports sustainable development referred to in the FfD zero draft? Will trade provide financing for development when Ecuador is asked to pay more than $2 billion dollars—half of its public health budget—to a mining company? Is trade liberalisation meaningful when social inequalities like the gender pay gap and poor labour conditions are treated as a source of competitive advantage within global value chains? When multinational companies displace and receive more favourable tax treatment than women engaged in small-scale cross-border trade? Or when it entrenches commodity-based export patterns that destroy the environment, displace communities and undermine sustainable industrial policy?

The FfD zero draft rightly calls for the proper review of investor-state dispute settlement clauses and the need to ensure preferential trade agreements are negotiated transparently, and do not undermine sustainable development. This commitment is necessary not only as a matter of policy, nor only as a matter of development justice
to redress the imbalance between corporate and public power. It is necessary to fulfil governments obligations under international law, in which their duties to fulfil human rights without discrimination prevail.