

Focus-on-Trade is a regular electronic bulletin providing updates and analysis of trends in regional and world trade and finance, with an emphasis on analysis of these trends from an integrative, interdisciplinary viewpoint that is sensitive not only to economic issues, but also to ecological, political, gender and social issues. Your contributions and comments are welcome.

# Focus on Trade

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## PROGRESSIVES BOUNCE BACK AS LIBERALS CONTINUE TO UNRAVEL IN THE US

Walden Bello\*

For some people on the left in the US, the Bush re-election was a speed bump, something that slows you down but doesn't stop you. Shortly before President George W. Bush's trip to Santiago, Chile, to attend the APEC Summit, some 20,000 activists gathered outside the notorious School of the Americas in Fort Benning Georgia on November 21, demanding that the institution, now renamed "Western Hemisphere Institute for Security Cooperation," be shut down. Twenty people were arrested for civil disobedience while protesters listened to actress Susan Sarandon, actor Martin Sheen, and other speakers denounce the military school for training students to engage in human rights violations.

While this may not be a big bounce back, it's a significant one in the context of the liberals' continuing to unravel in the wake of Bush's electoral victory. Even as the shocking sight of a US marine shooting a wounded, defenseless Iraqi prisoner flashed on television screens globally, the New York Times ran a front page story on Sunday, November 21, depicting the marines as a band of brothers courageously taking Fallujah block by block from faceless Iraqi insurgents. "In Fallujah, Young Marines Saw the Savagery of an Urban War," by Dexter Filkins, is in the genre of macho war reporting by generations of civilian writers awed by the mystique of the elite of America's colonial legions. When a marine is hit by fire from fighters defending their city from the invading troops, Filkins recounts, with reverence, how "the marines' near mystical commandment against leaving a comrade behind seized the group. One after another, the young marines dashed into the minaret, into darkness and into gunfire, and wound their way up the stairs."

Simply change the place names and the account can easily be that of the "leathernecks" taking pillbox after pillbox from tenacious "Japs" in Guadalcanal in 1943. This genre of journalism is akin to what Edward Said called "orientalist writing." Places, events, and people may change but the categories or episodes remain eternal: Marines land, marines encounter heavy resistance, marines work their way forward inch by bloody inch, marines sacrifice themselves for their comrades, marines finally overcome, and

the band plays Semper Fidelis in honor of the fallen heroes, who are awarded the Medal of Honor posthumously. Another glorious episode that reminds us that compared to the Army, the marines are no ordinary mortals. As for the enemy, its role is to fight bitterly and savagely in order to bring out the best in the marines.

### With literature like this, who needs propaganda?

But Filkins is not alone. Thomas Friedman, the New York Times' foreign policy columnist, is also eager to show that he is one of the guys. In fact, so eager that he has replaced his intellectual faculty and moral compass with the gut feel of the "grunts." In a column titled "Postcards from Iraq," Friedman writes, "Readers regularly ask me when I will throw the towel on Iraq. I will be guided by the US Army and Marine grunts on the ground. They see Iraq close up. Most of those you talk to are so uncynical—so convinced that we are doing good and doing right, even though they too are unsure it will work. When a majority of those grunts tell us that they are no longer willing to risk their lives to go out and fix the sewers in Sadr City or teach democracy at a local school, then you can stick a fork in this one. But so far, we ain't there yet. The troops are still pretty positive. So let's thank God for what's in our drinking water, hope that maybe some of it washes over Iraq and pay attention to the grunts. They'll tell us if it's time to go or stay."

The Times' editorial board seems determined to compete with Filkins and Friedman in compromising journalistic integrity. Like defeated presidential candidate John Kerry, the venerable Times does not believe that it was right for the US to invade Iraq. But instead of following this logic to its inescapable conclusion ethically, which would be to call for a withdrawal of US troops, the Times, like Kerry, calls for an increase in troop levels. In an editorial dated November 22, the Times demands that 20,000 to 40,000 more troops be sent to Iraq. This will require "a significant, permanent increase in the regular army," though not, it assures us, a draft. The Times is unapologetic about the rationale for this recommendation, which is to secure Fallujah and drive "the insurgents out of other strongholds." That the insurgents are on the right side on this one, that they are simply fighting to end an occupation that the Times had earlier condemned as an unjust war waged on false pretexts by the Bush administration never seems to enter the equation. No wonder many voters otherwise disenchanted with the war did not go with Kerry and the Times: Bush came across as morally and

politically consistent and clear, while Kerry and the Times projected—and continue to project—moral and political confusion.

In calling for 40,000 more troops, the Times is not only displaying an appalling moral inconsistency; it is also being naïve. One is talking about a national liberation movement that, albeit decentralized, has made some 55 cities and communities throughout the country “no go” zones for US troops. At the start of the war, then Army Secretary General Eric Shinseki said one would need at least 200,000 troops to invade and pacify Iraq. Today, simply to fight a burgeoning guerrilla movement to a stalemate would probably require at least 500,000 troops. That is simply impossible without a draft.

The Times’ strategy amounts to throwing good money after bad, and if only for pragmatic reasons based on the national interest (which is always a far more powerful incentive than principle to the US policymakers), it should be advising Bush to cut his losses and run, like Ronald Reagan did from Lebanon after 241 marines were killed by a suicide bomber in October 1983. The Times may find it hard to muster the courage to justify withdrawal as morally correct, but it can still counsel Bush that retreat in this case makes sense and that it is not dishonorable.

Liberal democrats are scrambling in the wake of Bush’s victory to recast themselves as a loyal opposition, but this enterprise comes through as desperate, unprincipled, and confused. The Democratic, liberal establishment, of which the Times is one of the chief pillars, may be in the final phase of a political unraveling that began with the Vietnam War four decades ago. Liberals have long ceased to provide a viable vision and moral compass for US foreign policy. Progressives must aggressively fill this role, and standing firm on the demand of unconditional withdrawal from Iraq is the place to start.

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## BUSH’S VICTORY, FALLUJAH, AND THE GLOBAL ANTI-WAR MOVEMENT

Walden Bello\*

The terrible truth of the US presidential election is that the Republican victory, while not lopsided, was solid. Another phase of the political revolution begun by Ronald Reagan in 1980, the 2004 elections confirmed that the center of gravity of US politics lies not on the center-right but on the extreme right, and the country is divided evenly, and bitterly, down the middle. But it is the Republican Right that has managed to provide a compelling vision for its base and to fashion and implement a strategy to win power at all levels of the electoral arena, in civil society, and in the media. While liberals and progressives have floundered, the Radical Right has united under an utterly simple vision the different components of its base: the South and Southwest, the majority of white males, the upper and middle classes that have benefited from the neo-liberal economic revolution, Corporate America, and Christian fundamentalists. This vision is essentially a subliminal one, and it is that of a country weakened from within by an alliance of pro-big government liberals, promiscuous gays and lesbians, and illegal immigrants, and besieged from without by hateful Third World hordes and effete Europeans jealous of America’s prosperity and power.

There are, indeed, two Americas, but one is confused and disorganized while the other exudes a confidence and arrogance that only superior strategy and organization can bestow. The Radical Right has managed, with its vision of a return to an imagined community—a pristine white Christian small-town America circa 1950—to construct what the Italian thinker Antonio Gramsci called a “hegemonic bloc.” And this bloc is poised to continue its reign for the next 25 years.

The future of democracy, economic rights, individual rights, and minority rights seems bleak in the US, but it is perhaps only through a second shock therapy—the first being Reagan’s victory in 1980—that progressive America will finally confront what it will take to turn the tide: an all-sided battle for ideological and organizational hegemony in which it must expect no quarter and it must give none, where it can no longer afford to make mistakes.

## CRISIS OF THE EMPIRE

But while America marches rightward, it fails to drag the rest of the world along with it. Indeed, most of the rest of the world is headed in the opposite direction. Nothing illustrated this more than the fact that in the very week Bush was reelected, a coalition of left parties came to power in Uruguay, Hugo Chavez, Washington's new nemesis in Latin America, swept state elections in Venezuela, and Hungary served notice it was withdrawing its 300 troops from Iraq. Although the American Right is consolidating its hold domestically, it cannot halt the unraveling of Washington's hegemony globally.

The principal cause of what we have called the crisis of overextension, or the mismatch between goals and resources owing to imperial ambition, is the massive miscalculation of invading Iraq. This crisis is likely to continue, if not accelerate, in Bush's second term. The key manifestations of the imperial dilemma stand out starkly:

- Despite the recent US-sponsored elections in Afghanistan, the Karzai government effectively controls only parts of Kabul and two or three other cities. As UN Secretary General Kofi Annan has said, despite the elections, "without functional state institutions able to serve the basic needs of the population throughout the country, the authority and legitimacy of the new government will be short-lived." And so long as this is the case, Afghanistan will tie down 13,500 US troops within the country and 35,000 support personnel outside.

- The US war on terror has backfired completely, with Al Qaeda and its allies much stronger today than in 2001. In this regard, Osama bin Laden's pre-election video was worth a thousand words. The invasion of Iraq, according to Richard Clarke, Bush's former anti-terrorism czar, derailed the war on terror and served as the best recruiting device for Al Qaeda. But even without Iraq, Washington's heavy handed police and military methods of dealing with terrorism were already alienating millions of Muslims. Nothing illustrates this more than Southern Thailand, where US anti-terrorist advice has helped convert simmering discontent into a full-blown insurgency.

- With its full embrace of Ariel Sharon's no-win strategy of sabotaging the emergence of a Palestinian state, Washington has forfeited all the political capital that it had gained among Arabs by brokering the now defunct Oslo Accord. More-

over, the go-with-Sharon strategy, along with the occupation of Iraq, has left Washington's allies among the Arab elites exposed, discredited, and vulnerable. With the death of Yasser Arafat, Tel Aviv and Washington may entertain hopes of a settlement of the Palestinian issue on their terms. This is an illusion.

- The Atlantic Alliance is dead, and in the coming period, trade conflicts will combine with political differences to push the US and Europe even farther apart. Europe is key to the sustainability of the American empire. As the neoconservative writer Robert Kagan notes, "Americans will need the legitimacy that Europe can provide, but Europeans may well fail to grant it." But the widening Atlantic gulf is not only one based on different approaches to securing global stability; Europeans increasingly fear that an aggressively militaristic US is the greatest strategic threat to their regional security.

- Latin America's move to the left will accelerate. The victory of the leftist coalition in Uruguay is simply the latest in a series of electoral victories for progressive forces, following those in Venezuela, Ecuador, Argentina, and Brazil. Along with electoral turns to the left, there may also be in the offing more mass insurrections such as that which occurred in Bolivia in October 2003. Speaking of the turn towards the left and away from the empire, one of the US' friends, former Mexican Foreign Minister Jorge Castaneda, assesses the situation thus: "America's friends... are feeling the fire of this anti-American wrath. They are finding themselves forced to shift their own rhetoric and attitude in order to dampen their defense of policies viewed as pro-American or US-inspired, and to stiffen their resistance to Washington's demands and desires."

## FALLUJAH: CRUCIBLE OF GLOBAL RESISTANCE

Iraq, of course, is the main source of the empire's unraveling. The Iraqi people's resistance has not only frustrated a US colonial takeover of their country. Equally important, it has shown a new generation of anti-imperialists all over the world for whom Vietnam is ancient history that it is possible to fight the empire to a stalemate and eventually to victory.

It is unlikely, however, that the Bush administration will acknowledge the writing on the wall any time soon. It ordered the assault the city of Fallujah with the desperate illusion that this would destroy the operational center of the insurgency. Fallujah, however, was not an operational center

but a symbolic center that had already played its role, and its “fall” is not going to stop the spread and deepening of a decentralized resistance movement throughout Iraq. Moreover, as some had predicted, most of the Fallujah insurgents retreated, trading, as in Samara, a conventional defense of a city for a guerrilla presence that harasses and pins down the US army and its Iraqi mercenaries.

As the days wore on, the reality emerged that the retreat in Fallujah was part of a brilliant strategic counteroffensive on the part of the guerrillas which saw the resistance stage uprisings in Mosul, Ramadi, and other cities. And even in retreating from Fallujah, the guerrillas did not make it easy for US forces to retake the city, with a small rearguard of a few hundred guerrillas forcing the Americans to scores of street battles for every inch of urban ground. Indeed, three weeks after the assault was launched on November 8, US marines—today’s equivalent of World War II’s SS military units—are still being killed, and fifty per cent of the houses in the city still have to be “cleared.” The whole thing is Tet 1968, all over again.

The stated objective of the assault was to pave the way for the coming elections, but what political gains the US had hoped to score were dissipated by the destruction and indiscriminate killing of civilians caused by its firepower and the ghastly television footage of a marine killing an unarmed, wounded Iraqi prisoner. As the Financial Times put it, hopes for an electoral exit to the Iraqi tragedy “may now lie buried in the rubble of Fallujah.”

With 55 cities and towns already classified as no-go zones for US troops, the Bush administration will soon realize that retaking and occupying urban centers en masse simply will not work. There are some 130,000 US troops in Iraq today. Simply to fight the guerrillas to a stalemate, one would need at least 500,000 troops for the level of resistance that one finds in Iraq today. That will not be possible unless Bush brings back the draft, and this will surely produce the civil disorder that would threaten the current Republican hegemony.

Washington’s alternative will be to withdraw to and dig in behind super-fortified bases and sally forth periodically to show the flag. While this would mean *de facto* defeat for the US, it will also mean that the Iraqi people’s resistance will not have *de jure* territorial control from which to declare sovereignty and begin the process of coming up with a truly national government.

## CHALLENGES TO THE MOVEMENT

Supporting the Iraqi people’s struggle to create the sovereign space to create a national government of their choice continues to be one of the two overriding priorities of the global anti-war movement. The other is ending the Israeli occupation of Palestine and the trampling of the Palestinian people’s rights. At a moment marked by the conjunction of a resurgent Right in the US and a continuing crisis of empire globally, what will it take to advance this goal?

First of all, the movement has to graduate beyond spontaneity and arrive at a new level of trans-border coordination, one that goes beyond synchronizing annual days of protest against the war. The critical mass to affect the outcome of the war will not be attained without a rolling wave of global protests similar to that which marked the anti-Vietnam war mobilizations from 1968 to 1972—one that puts millions of people in a constant state of activism. Coordination, moreover, will mean coordinating not only mass demonstrations but also civil disobedience, work on the global media, day-to-day lobbying of officials, and political education. More effective coordination and, yes, professionalization of the anti-war work must not, however, be achieved at the expense of the participatory processes that are the trademark of our movement.

Second, in terms of tactics, new forms of protests must be engaged in. Sanctions and boycotts are methods that must be brought into play. At the Mumbai World Social Forum earlier this year, Arundhati Roy suggested starting with one or two US firms benefiting directly from the war such as Halliburton and Bechtel and mobilizing to close down their operations worldwide. It is time to take her suggestion seriously, not only with respect to US firms but also with Israeli firms and products.

Moreover, the level of militance must be raised, with more and more civil disobedience and non-violent disruptions of “business as usual” encouraged. We must tell Washington and its allies that there can be no business as usual so long as the war continues. The kind of debate taking place in Britain, whether to push peaceful demonstrations or civil disobedience, is fruitless, since both are essential and must be combined in innovative and effective ways.

In the US, activists can draw on the immensely powerful tradition of disobedience to unjust law that motivated people such as the abolitionists,

Henry David Thoreau, the Quakers, and the Berrigan Brothers. Indeed, this kind of resistance might be the key to stopping not only the imperial drive but also the rush to restrict political liberties and democracy. At no other time than today, when the electoral option is gone, is it more necessary to resist the imperial writ non-violently by invoking a higher law.

Third, it is clear that Great Britain and Italy—Britain especially—are the principal supports of Bush's war policy outside the United States. Bush constantly resorts to invoking these governments to legitimize the US adventure. What happens in Italy, in turn, affects what happens in Britain. Both countries have solid anti-war majorities that must now be converted into a powerful force to disrupt business as usual in these countries ruled by governments complicit in the American war. Both countries have the hallowed tradition of the general strike that, combined with massive civil disobedience, can significantly raise the costs to their government of their support for Washington. When asked why the demonstrations of March 20, 2004 drew significantly fewer people than those of February 2003, many activists in Britain and Italy respond: because people felt their actions had not been able to prevent the US from going to war anyway. That sort of defeatism and demoralization can only be countered not by lowering the demands on people but by upping them, by asking them to put their bodies on the line through acts of nonviolent civil resistance.

Fourth, with the Middle East being the strategic battleground of the next few decades, it will be essential to forge links between the global peace movement and the Arab world. The governments of the Middle East are notoriously supine when it comes to the US, so that, as in Europe, it is forging the ties of solidarity among civil movements that must be the main thrust of this effort. This will actually be a courageous and controversial step since some of the strongest anti-US movements in the Middle East have been labeled "terrorist" or "terrorist sympathizers" by the US and some European governments. What is important is not to let US-imposed definitions stand in the way of people reaching out to one another to see if there is a basis for working together. Likewise, it is critical for the Palestinian movement and the Israeli anti-Zionist and peace movements to get beyond the labels imposed by governments and find ways of cooperating to end the Israeli occupation. Process has a way of bringing people together from seemingly non-reconcilable political positions. In this regard, the

Beirut Anti-War Assembly that took place in mid-September 2004, with strong representation from the global peace movement and social movements from all over the Arab world, was a significant step in this direction.

But even as the global peace movement focuses on Iraq and Palestine, national and regional movements must continue to intensify existing struggles or open up new fronts against US hegemony in their areas. Indeed, there is a dialectical relationship between global and local struggles against imperialism. Weakening the US base structure in East Asia, for instance, will affect US military operations in the Iraq and Afghanistan. Similarly, a quagmire in Iraq for the US may contribute to a mood of isolationism in the US that will also translate into pressures to withdraw from bases and facilities in East Asia.

As it enters its second term, the Bush agenda remains the same: global domination. Our response is also the same: global resistance. There is only one thing that can frustrate the empire's dark aims in Iraq, Palestine, and elsewhere: militant solidarity among world's peoples. Making that solidarity real and powerful and ultimately triumphant is the challenge before us.

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## MAN UNDER A DEATH SENTENCE: AN INTERVIEW WITH HAMAS LEADER USAMAH HAMDAN

Walden Bello and Marylou Malig\*

*With the death of Yasser Arafat, the leadership of the Palestinian movement has been thrown wide open. While the central question is who will replace Arafat as the president of the Palestinian Authority, a related question is whether the Palestine Liberation Organization (PLO), whose principal component is Arafat's Fatah, will remain the preeminent Palestinian political force. The Islamist group Hamas is acknowledged by many to be the second most influential force among Palestinians. Indeed, according to the Economist (October 2, 2004), Hamas "now matches Fatah in popularity" and "even in traditionally secular towns like Nablus, it is now, says the former mayor, himself a Fatah man, the most popular movement." This is, of course, according to several specialists on Palestine, a simplification of the realities of Palestine, given that other currents such as the Popular Front for the Liberation of Palestine (PFLP) also represents a major force in Palestine.*

*In the wake of Arafat's death, Hamas has declared itself in favor not only of presidential but also parliamentary elections on January 9, 2005, though it said it will not put up a candidate for president. The Economist also claims that "some" Hamas people say "that they would declare a truce and even accept a temporary two-state solution, perhaps for 50 years, while continuing to argue peacefully for one state in which Jews could live..."*

*But what is Hamas? What accounts for its growing popularity? What is its relationship to the PLO? These were among the questions that prompted Focus staffers Walden Bello and Marylou Malig to search out and interview Hamas leader Usamah Hamdan during a recent visit to Beirut.*

As we drive frantically on Beirut's hilly streets to make sure we're on time for the interview with Usamah Hamdan, someone in the car remarks, "Well, I hope the Israelis don't decide to kill him today, while we're meeting him." The gallows humor is prompted by our knowing that Hamdan is the most wanted man in Lebanon, one who

has been marked for assassination by Israel.

Hamdan is the representative of Hamas, the Palestinian Islamic Resistance Movement, in Lebanon and Syria. Hamas is associated in many people's minds with "suicide bombings" of Israeli military and civilian targets. Widely condemned as a terrorist tool, the bombings have altered the military situation considerably, leading one Hamas leader to describe suicide bombing as the Palestinians' "F-16." Israel has retaliated by systematically assassinating leaders of Hamas and other groups in the Palestinian resistance. A member of the Central Committee of an organization that is said to be Israel's Enemy No. 1, Hamdan has seen many of his comrades fall victim to Israeli operatives, including Hamas' last two top leaders, Sheikh Ahmed Yassin and Abdel Aziz Rantisi, both of whom were killed within a month of each other by helicopter-launched missiles earlier this year.

Following the twin suicide bombings that killed 16 Israelis in Beersheba on August 31, the Israeli government reiterated its policy of reserving the right to strike at Hamas leaders living outside Palestine. Hamdan is one of the likely targets, as is the currently top-ranking Hamas figure, Khaled Maashal, who lives in Damascus, where most of Hamas' strategic planning is done, according to the Israeli government. Indeed, a few weeks after we did this interview, on September 26, senior Hamas official Ezzedin al-Sheikh Khalil, was assassinated by Israeli agents in a car bombing in Damascus.

When we enter the interview site in a suburb of Beirut, we are asked to hand over our mobile phones—a wise precaution since the Israelis have been known to locate their prey via signals emitted by the phones. Surprisingly, however, the security seems light, with hardly an armed bodyguard visible in the premises.

We are prepared to see an older man, but Hamdan looks like he is in his late thirties. Hardly looking at all like the stereotype of the terrorist, he is cordial, sharing a number of jokes with our party while treating us to an impromptu breakfast of cheese-filled pita bread and strong coffee. After a few minutes, he tells us he is ready to answer any questions we may have. "You can be as frank as you want," one of our interpreters tells us.

### Israel's Unilateral Withdrawal

Q: Israel says it is withdrawing from the Gaza and much of the West Bank—how does Hamas

view this? Do you consider this a victory?

A: I believe any withdrawal from our land, no matter how small it is, is a victory for the Palestinian people. But the Israelis want the Palestinians to pay a political price. They want us to give up the right of return [to Israel]. They want to keep one-fourth of the West Bank. We will not accept these conditions. We will continue our resistance. We have sacrificed for the last 56 years. What difference will another 10 to 15 years make?

### **The Wall**

Q: Israel is continuing to build the wall despite global opposition. How does Hamas plan to deal with this?

A: The World Court of Justice made the right decision. It is most important because Israel really just wants to take the land. They are taking 21 per cent of the West Bank bordering Jordan, but there are no security problems there. The international community has to continue pressuring Israel to stop and to destroy what has already been built. They plan to complete the wall by March 2005. They are building one kilometer a day, and they say it will take them 250 days to complete it. And they think of everything, like painting the wall with 'artwork' so that people cannot write on it. But this wall will not prevent our resistance or put a stop to our activities.

### **Suicide Bombing**

Q: We'd now like to turn to suicide bombing. As you know, it has been widely condemned. Others have said it is no longer that effective. What do you think?

A: First, we do not call it as such. And it is only one of the many tactics we use. We will use it when it is effective for a specific time and place. We choose the right place and time for this. People should realize that there are many cinemas, buses, coffee shops in Israel, but we choose only a few specific places and at specific times. We do this as a message to the Israeli government that if there is no security for the Palestinian people, there will be no security for the Israeli people. There will be none until there is a complete withdrawal from all occupied land, until there is an end to the occupation. In the last four years this has only been 12 per cent of our operations – this is not a major tactic.

### **Relations with the PA and PLO**

Q: How does the Hamas view and relate to the

PLO (Palestinian Liberation Organization) and the Palestinian Authority?

A: First the Palestinian Authority – this was a result of the Oslo Agreement. We rejected the Oslo Agreement because it changed the objective from that of securing Palestinian rights to that of providing security for the occupation. Thus, we did not participate in the presidential elections. Now, the peace process is deadlocked. The Israelis occupied 45 per cent of the Gaza. Oslo did not solve the problem.

But we will not fight the Palestinian Authority; Israel is the enemy. In fact, we help the Palestinian Authority by providing services for our people. Throughout the years, we have assisted with millions of dollars for infrastructure and services. We will not participate in the Palestinian Authority but we help out in the political process in our own way.

On the PLO – this was established in 1964 by the Arabs who wanted to turn Palestine from an Arab issue into a Palestinian issue. The PLO has become corrupted. We no longer know its real structures. It no longer has any real political vision.

But we don't allow ourselves to be used in the struggles within the PLO, for instance, in the recent efforts by some to promote [Palestinian Prime Minister] Ahmed Qureia, at the expense of Arafat.

But if there is reform and there is a Palestinian leadership elected on a clear and acceptable basis, we would be open to sharing with the PLO.

### **Life and Death**

Q: Israel has a policy of assassinating leaders of Hamas. How do you personally feel about this since you are on their list? Do you feel like you're living under a death sentence?

A: I am on two lists, one with six names and another with 12 names. But I am living my own life normally. I eat breakfast with my children, I always try to do this because this is when I can talk to them and ask them about their day and their plans. I visit my friends and my friends visit me. I just recently went out with my children to swim in the sea. You just die once, and it can be from cancer, in a car accident, or by assassination. Given these choices, I prefer assassination. My friends are more worried for me than I am.

The brief interview ends with Hamdan telling us that he looks forward to inviting us soon to a “liberated Palestine.” As we bid goodbye, we have the distinct impression that this young, intelligent leader of one of the Palestinian Resistance’s most feared organizations, knows he is living on borrowed time.

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## **MILKING THAILAND: THE THAI-AUSTRALIA FREE TRADE AGREEMENT**

Ben Moxham\*

On 18<sup>th</sup> November, the Australian Federal Senate “rubber stamped” a few obscure amendments to the Customs Act to activate the recently negotiated Thai-Australia Free Trade Agreement (TAFTA). While debate on the TAFTA in Australia barely spread beyond a few offices in Canberra, Thai farmers and workers took to the streets in protest at a trade deal that sells them out.

Bangkok is a sprawling mess of development. The view from this ninth-floor balcony is hemmed in by skyscrapers and the droning expressways. Slums take shelter underneath the overpasses: their residents sweating over *som tam* stalls (1). A scattering of temples is outnumbered by the brothels - all blinking lights and car parks full of Mercs.

Here, social divisions can seem literally vertical - mapped out onto a city - as a nascent middle class ride atop healthy GDP figures while the rural poor, uprooted by their non-economic viability, live in the hidden niches of this pungent metropolis.

These twin processes of growth and alienation will be given a boost by the recently signed trade deal between Australia and Thailand. In Thailand, the Free Trade Agreement (FTA) debates were heated. Farmers and critics claim that Prime Minister Thaksin Shinawatra’s government sold out small farmers to their own big business interests. They took to the streets in protest while Thaksin lambasted them and obscured negotiation details. In Australia, the debate barely spread beyond a few offices in Canberra. Yet, the Australian Senate’s approval of the agreement will send ripples through Thailand.

### **THE (NOT SO) FINE PRINT**

The Thai-Australia Free Trade Agreement (TAFTA) was concluded in the middle of this year and will come into effect at the start of 2005. Then, more than half of Thailand’s 5,000 tariffs will be eliminated on products such as instant food, cars and jewelry. The remaining tariffs will be eliminated by 10 on products such as canned tuna, textiles, footwear, auto-parts, steel, chemical products and plastics with some ‘sensitive’ products to be phased out by 15 and, on the Austr-

lian side, 83 per cent of tariffs will be cut to zero next year, with the remaining categories to be cut by 15.

While Australian consumers might get 10 cents off their imported durians and rambutans (2), Thai farmers will be directly competing with Australia's agribusiness juggernaut. They're panicked. To allay their concerns, the TAFTA provides a longer phasing out period for directly competing products like beef and pork. In the most contentious area, milk and dairy products will eventually be able to enter Thailand tariff free by 2020.

Adul Vangtal, the President of Thai Holstein Friesian Association, is an outspoken critic of the TAFTA. He explains that milk has never been widely consumed in Thailand. Instead, the dairy industry was born through an act of Royal social and dietary engineering 40 years ago. Thailand's King Bhumipol Adulyadej, an ardent promoter of rural development, saw it both as an opportunity to create employment in struggling rural communities and introduce a serious dose of calcium into the diets of Thai youth.

It has been reasonably successful: "The farmers in Ratchaburi province where I am from used to be sugarcane farmers but they were badly in debt," explains Adul. "The Government started this project with the King to assist these indebted farmers. Now farmers have enough cash income to buy a bicycle or a motorbike and to send their kids to school."

According to Adul about 40,000 families work in the dairy industry, organised into 117 cooperatives. This "social farming" as Adul calls it, is the lifeline that binds communities together. It's a pattern all over Thailand where 60 per cent of Thais depend on agriculture and a third of these are small-scale farmers.

### COMPETE HOW, THAI COW?

This is in stark contrast to the way the cow business is done in Australia. According to Dairy Australia, Australia had 10,654 registered farms in the 2002/2003 financial year holding about 200 cows each. While in Thailand, "99 per cent of farmers are small with only 10 to 20 head of cattle each," says Adul. Given the economic strength of the larger Australian farms, the more favourable climate and higher technology, Australia can produce milk for about two-thirds of the cost of Thai farmers.

Research commissioned by the Thai government predicts that under the FTA, dairy imports will

increase by 30 per cent and the domestic price will drop by 30 per cent. With these prices, "all the social farms will dissolve and farmers will lose their jobs," says Adul bleakly.

The Thai government dismisses such pessimism, arguing that dairy tariffs will be slowly phased out, giving farmers enough time to adjust. "Adjust to what? Adjust to our lost jobs?" says an exasperated Adul.

Fundamental differences in land and climate make talk of adjustment meaningless. "Even EU and US farmers can't compete with Australia and they are far more developed with higher production techniques than Thailand," points out Jacques-Chai Chomthongdi, a trade campaigner with the activist research NGO, Focus on the Global South. "In negotiations for the Australia-US FTA, the US didn't even commit to a timeframe for liberalisation." For Thailand, "We'd have to invade Cambodia and Laos to get enough land to compete with the Australians," jokes Jacques-Chai.

The Thai government also counters that if producers are hurt by imports, it still has the right to implement safeguard measures. Adul strongly doubts their will, given their failure to assist farmers in tackling the industry's existing problems. Even without the increased imports that lowered tariff barriers would bring, competition is already hurting farmers. "Our raw milk already has to compete with imports of powdered milk," explains Cherdchai, a farmer from Udon Thani province. "Each year, when the imported products come, the price of our milk drops and we are forced to throw it away." While the production grows by 10 per cent a year, consumer demand is only growing at five per cent. "So we already have an oversupply problem here," adds Adul.

Australia has promised not to compete in the fresh milk market in Thailand. It's hardly a generous offer considering Australia has never exported fresh milk to Thailand. But it's the raft of other dairy products, in particular, powdered milk, that eats into the domestic farm-gate price of Thai milk.

While the average Australian coffee junkie might throw a tantrum if given powdered milk with their flat white, Thai consumers aren't so fussy. Cheaper powdered milk is often substituted for fresh milk by retailers knowing that they can skimp on quality, without putting a dent in sales. But it drags down the price of fresh milk whose sales keep the local industry alive.

“Many farmers have already sold their land in anticipation of hard times,” notes Adul. “Why should we keep risking debt to improve our production when we know we are going to lose?”

Jacques-Chai similarly sees the effect of the FTA as accelerating the tremendous demographic pressures already facing Thailand: “There will be an erosion of the social fabric in the rural areas. Failed farmers will be forced to come to Bangkok. It is already overstretched with a population of 10 million and a third of that is unregistered,” he says.

Perhaps postponing a land-grab invasion of their neighbours, Thai dairy farmers staked their hopes on receiving adjustment assistance from both the Thai and Australian governments. Adul and a dairy farmers’ delegation attended a recent meeting at the Ministry of Agriculture to present a rescue package for their industry. Emerging from three hours of discussion Adul seems dejected: “This government is too cunning,” explains Adul. “There is no plan at all to save our livelihood, our culture, our way of life.”

This was not the case in Australia. When the dairy industry was deregulated in Australia in 1999, the government recognised the risks to farmers and set up the Dairy Structural Adjustment Program (DSAP). Unlike World Bank pushed Structural Adjustment throughout the Third World, the Australian version actually helped some people. Offering nearly two billion Australian dollars (AUD) in benefits, each farm received roughly AUD1,000 each in government payments since 2000. Even then, many farmers were forced to leave the industry, possibly coaxed by the meager \$45,000 exit payout and accelerating the trend into bigger yet fewer farms. About 10,000 dairy farms have disappeared since the early 1980s, as family farms have been swallowed up by corporate ones.

Ideally, the Thai dairy industry needs market protection. But under the FTA, an industry assistance package is unlikely to be forthcoming either. Instead, economically unviable farmers will probably be pushed into growing more unprofitable commodities, risking more debt and insecurity.

### **THE GOLF BETWEEN RICH AND POOR**

All this is a steady shift from the promises that swept Thaksin and his Thai Rak Thai (Thais love Thais - TRT) party to power in 2001. Building his Shin Corp business empire in the 1990s, Thaksin

launched an ambitious political campaign in the wake of the 1997 financial crisis to help the poor and to protect domestic business from predatory international capital. Yet his philosophy has always been profoundly corporate, proclaiming in 1997 that, “A company is a country. A country is a company. They are the same.” Since taking power in 2001, Thaksin has tried to run Thailand like a CEO. Following that logic, it makes sense to use FTA negotiations to promote high performing sectors and outsource uncompetitive farmers.

With the rise of Thaksin, politics blurs into business and business blurs into golf games. The prime minister is well known to play golf with his inner clique of key party financiers and cabinet members: Prayuth Mahakitsiri, Suriya Jungrungrangkit and Somsak Thepsuthin. The wealth of TRT members is staggering. “They own 40 per cent of the total value of the stock market” says Jacques-Chai. “The Shinawatra family itself owns 10 per cent.” It is easy to picture this quartet of billionaire politicians plotting down the fairway discussing what club to play for this shot and what sector to promote for that FTA.

Perhaps needing an even more private place for their discussions, Prayuth bought his own golf course, paying 1 billion baht (AUD35 million) in cash in October 2002. Perhaps he had the spare cash floating around because a few months prior, 15 billion baht was questionably shaved off one of his bad debts in a copper smelting project by a government bailout fund. It’s just one example of the pall of cronyism that covers Thai business and politics under TRT.

It hangs particularly strongly over the TAFTA. Suriya for example, the Industry Minister from 2001 to 2002 and currently holding the communications portfolio, stands to profit handsomely from the agreement. As the owner of the Summit auto-parts empire, Suriya is positioned to increase imports to Australia by 30 per cent, according to analysts, when Australian tariff barriers on auto parts are lowered from 40 per cent to five per cent next year.

One venture that Shin Corp hopes will make it global is its plan to launch the iPSTAR satellite above Asia, through its Shin Sat subsidiary. It will be one of the world’s most advanced satellites, dwarfing existing competition with its huge capacity to provide broadband internet.

But the high-risk project was plagued by delays and the political complexities of the region - until

Telstra (one of Australia's largest telecoms companies) came along. The two companies signed a deal earlier this year where Telstra will build earth stations for iPSTAR in Kalgoorlie in Western Australia and Broken Hill in New South Wales in return for a slice of the broadband capacity.

It fits a pattern. FTAs have been an indirect mechanism for Shin Sat to nudge aside its orbital competition. Beijing for example, has moved the orbit position of its own satellites to make way for iPSTAR while – back on planet earth – Chinese agriculture imports are decimating northern Thai farmers. Shin Sat also recently announced a partnership deal in New Zealand.

Shin Corp also stands to benefit from the near comprehensive liberalisation of the Australian telecommunications sector, raising questions about a possible conflict of interest. "It is difficult to deny this," says Jacques-Chai. "Australia made an offer to liberalise under the FTA (except on Telstra ownership). They liberalised everything else, especially mobile phones."

It's a criticism repeatedly raised by Supinya Klangnarong, the Secretary General of the Campaign for Popular Media Reform. She questions whether the two processes are linked but concedes that, "we just don't know what they've been discussing with the Australian government." Jacques-Chai also questions what was discussed at an APEC summit meeting late last year between Thaksin and Australian Prime Minister John Howard. "They reportedly had a 'four eyes' discussion," comments Jacques-Chai "and following APEC, there was a significant increase in what Thailand would liberalise."

Both Shin Corp and the Australian government were quick to counter the allegations of shady dealings, arguing that what Australia offered is no greater than what they offered under the Doha round of World Trade Organization (WTO) negotiations. But WTO negotiations can be glacial points out Jacques-Chai, and the earliest the Doha negotiations could be concluded, albeit very unlikely, is at the next WTO ministerial scheduled for Hong Kong at the end of 2005. Until Australia's WTO commitments come online, Thai telecommunications companies will get a long head start on other foreign investors. But it's a trade-off that backfired under the China-Thai FTA. Rather than Thai business capitalising on the 'early harvest' of China's markets, Chinese agricultural imports have sent hundreds of Thai small farmers out of business.

Textiles is another sector that the Thai government believes could be a winner. But Jacques-Chai is less certain: "Even studies done by government concede that the textile industry will only see benefits for one or two items." But some deals are in the works. T Shinawatra Thai Silk, the original family business of Thaksin, is negotiating a joint venture with an Australian fashion designer, capitalizing on the lower importer tariffs under the TAFTA.

It'll put more pressure on the already enfeebled Australian textiles industry which has been hiding behind its shrinking tariff barriers for the last decade. While decent profits are made by retailers and marketers, and probably the Shinawatra Silk venture, it is the exercise of their market power that forces down the wages of both outworkers in back alleyways of Melbourne suburbs and their sisters and brothers in Bangkok's sweatshops.

#### FTA'ED

Can Thaksin's passion for negotiating FTAs - eight are currently on the table - be explained purely as cold, hard trade-offs? Professor Pasuk Phongpaichit, co-author with Chris Baker of the recently published book "Thaksin: The Business of Politics in Thailand" notes, "I agree that this FTA has dubious benefits, but that is the same for most of the FTAs that this government is pursuing." She elaborates, explaining that the government's "enthusiasm for FTAs has to be explained in terms of politics (because it does not make sense in terms of economics). These agreements are a new kind of international diplomacy, and for Thaksin, are part of his self-promotion on the international stage."

"This is not the only FTA under which small producers are being sacrificed. It seems to be the pattern," says Dr Pasuk. For the dairy industry, the precedent set in the TAFTA is coming back to haunt the Thai negotiators, especially in the current negotiations with New Zealand. While Australian competition is stiff, it's the green pastures of Middle Earth that Thai dairy farmers deeply fear. New Zealand dominates global dairy production accounting for 36 per cent of world trade and they're pushing for a quicker liberalisation timetable under their FTA. Farmers like Chernchai may be buried in the milk powder from Mordor.

Adul and his dairy cohort are businessmen and although bitter about being sold out by the government, realise they must make the best of being FTA'ed: "We would like to use Thailand as a dairy hub for the region and hope to be able to collabo-

rate with the New Zealanders. It's an opportunity for both sides." They met with the New Zealand delegation who didn't endorse this 'win-win' optimism. They argued instead that promotion of Thailand's dairy industry was the job of Thailand's government.

Jacques-Chai cautions against blaming the sell-out of farmers under the FTA purely on the antics of Thai Rak Thai. FTAs instead, are tools of developed countries, like Australia, to pry open the economies of developing countries like Thailand. And it's larger Thai businesses that are strong enough to capitalise on such liberalisation.

Both liberalisation under FTAs and privatisation fit a pattern of big business filling up the political and institutional spaces left by Thailand's waning military bureaucracy. As Supinya laments, "There is a radical liberalisation and we do not have the time to democratise the institutions needed to monitor these processes. We are running from the tiger (the military and the bureaucracy) but are facing the crocodile (big business)."

#### **THAILAND IS NOT SHINLAND**

The crocodile was in no mood for consulting on the FTA. Adul, along with many farmers and activists like Jacques-Chai made their concerns known to government negotiators but got nowhere. "Thaksin never listens to anyone," says a frustrated Adul.

It was a fight even to see the final document. "The government only released the text of the FTA after it was released on the Australian Foreign Affairs website," says Jacques-Chai. "Even then, it was only after public pressure was applied that it was translated into Thai" he adds. He blames Thai Government paranoia. "This approach is a tradition of theirs with international trade negotiations. They don't want to face resistance and scrutiny that can pick up on alleged conflicts of interest."

"To organise farmers we held discussions all over the country," says Adul. "The police asked our dairy co-op meeting to stop otherwise they would take away the meeting's papers. They said that they had been ordered to check on the activities of all the cooperatives. All of the presidents of the coops are being pressured this way. We feel that we have lost our freedom of expression and our freedom to milk our cows," laments Adul.

Such censorship is endemic in a nation where Thaksin - Southeast Asia's version of Italy's Silvio

Berlusconi - owns nearly all of the private media and controls all of the government media. Highlighting this crisis, Supinya wrote a paper titled "Communication under Shin's regime: the conflict of business and political interests" outlining how Shin Corp runs "all aspects of telecommunications, media, computers and satellites." For her criticism, Supinya could be bankrupted or spend two years in jail - Thaksin's corporate arm, Shin Corp, has slapped both a civil and criminal defamation suit on her for publishing the paper.

This intimidation is not a bluff. The Government stoked violence in the South of the country along with the extra-judicial killing of some alleged 2,500 drug dealers and users in the last two years has spread fear throughout Thailand.

To justify such repression, Thaksin has invoked the "nation" as his "driver": "Having debates and so many different opinions is just selfishness. Everyone has to unite for the country to progress," said Thaksin. But "Thailand is not Shinland" as one FTA protest banner points out and thousands took to the streets to underline the point on June 28, 2004, marching to the Government House. A broad range of protestors, from HIV activists to unionist fighting off further privatisation were present, adding to the growing dissent that is eating into Thaksin's popularity figures. Even major political parties are waking up to the issue, forcing TRT to backtrack and commit to monitoring the impact of the FTA.

Adul is prepared to take to the streets again if farmers are suffering and Thaksin does nothing. "Thaksin will lose government if he doesn't listen to the dairy farmers." We start discussing possible actions they could do. What about filling the nearby khlong (canal) with your wasted milk? "Yeah, let the government smell the rotting milk," laughs Adul.

But will the smell make it all the way to Canberra? Will a new Australian Federal Senate address these concerns when it comes up for debate or continue its quiet complicity in the shadowy sell-out of rural Thailand?

\* Ben Moxham is a research associate with Focus on the Global South.

- (1) Som tom is a salad from the Northeast of Thailand
- (2) Rambutan and durian are fruits

*Presentation at the seminar "A Trans-Atlantic GMO Trade War: US attempts to use the WTO Against European citizens" organized by Friends of the Earth Europe on behalf of the Bite Back: Hands off our Food campaign and The Five Year Freeze campaign on behalf of the International Public Interest Amicus Coalition at the European Social Forum, London, October 15, 2004*

## **DEFENDING A VANISHING MORATORIUM: GMOS AND THE WTO**

Peter Rossman\*

Genetically modified organisms (GMOs) are clearly an issue for the labour movement and for the IUF because they are about rights, power and control. The evidence on the impact of GMOs on human health may be ambiguous, though in our view it is sufficient to warrant banning them on the basis of the precautionary principle. But there is absolutely no doubt that they represent a social threat of the highest magnitude. GMOs are a tool, probably the most powerful one yet invented, for consolidating the grip of the transnational agri-food corporations on the global food chain, and that alone is sufficient reason to oppose them. They are a corporate attack on the environment and biodiversity, an attack on food security and food sovereignty, an attack on the rights of workers and consumers. Keeping GMOs out of the food chain is in our view a matter of fundamental social self-defense.

Given the nature of this meeting I don't think I have to make the general case against GMOs, but I think it's useful to point out a couple of things which are sometimes overlooked. We know that the vast majority of GMO patents embody herbicide- or pesticide-resistant traits. What is sometimes forgotten is that it is agricultural workers who are in the front line of exposure to pesticide poisoning. The World Health Organization estimates that every year some 40,000 people die from pesticides (these are unintentional deaths, excluding suicides) and a further 3-4 million are severely poisoned. We have to remember that the pesticide residues that understandably alarm consumers are only residues. They are what remain after the workers who apply them and work around them after application are directly exposed to highly toxic substances. Agricultural and plantation workers are continuously exposed to pesticides even after spraying, because in agriculture there is no clear-cut distinction between the living and working environment. So radically reducing and eliminating dependency on pesticides is a major goal for food and agricultural workers unions, for whom sustainable agriculture is not just a good idea but a basic question of survival and health and safety on the job. GMOs clearly take us in the opposite direction.

In Argentina, farmworkers are now applying undiluted glyphosate and attacking Roundup-resis-

tant super-weeds with axes. After the harvest the fields are sprayed with paraquat, which is one of the most toxic herbicides on the market (and which the European Commission has recently lifted restrictions on in Europe!). This is the inevitable result of a decade of GMO cultivation. Pioneer Hi-Bred, the world's largest seed corporation, is currently testing a GMO maize which is six-times more resistant to glyphosate than Monsanto's Roundup ready variety. The plant is programmed to degrade the herbicide it absorbs, and can sustain non-stop herbicide application. The threat to workers and to human health and the environment is obvious.

I read the EU submission in response to the US complaint very carefully and there is NO mention of the impact of GMOs on the health and safety of agricultural workers with respect to pesticides or any other aspect of production. Nor am I aware of any specific worker health and safety evaluation in any of the national GMO reviews which have been conducted, like the UK crop trials which were generally considered to be the most comprehensive. Nor am I aware of any studies on the impact of GMOs on the health and safety of workers in the various industries which process GMO crops - milling, brewing, baking and so on. There simply haven't been any. The effects of GMOs on those who will have to work with them in order to bring food to the table has never been investigated and that is one more reason for banning their commercialization and fighting for a genuine moratorium on their use.

So what can unions bring to the campaign to get GMOs out of Europe and keep it GMO free? Workers can and do participate as individuals in consumer-based movements against GMOs, but through their unions they engage directly with the companies, through the collective bargaining process. Unions can negotiate collective bargaining agreements which commit food processing companies to GMO-free production. This increases pressure on the seed companies which are promoting them, the TNCs which are processing them and on national and supranational political bodies. In Italy, IUF member unions have begun this process. Italian agrofood unions have incorporated GMO-free commitments into their collective bargaining agreements with the brewer Peroni - a subsidiary of the transnational SABMiller, with the Italian pasta and baked goods manufacturer Barilla and with the transnational canned fruit and vegetable and fruit juice maker Conserve Italia. These kinds of agreements need to be extended and multiplied, and need to be backed with increased consumer pressure on

the producing companies to commit themselves to GMO free production. This is one way we can strengthen public opinion in support of a moratorium, split the employers on this issue and stiffen political resistance. The companies - from agricultural to retail - have to become a primary target for anti-GMO campaigns, and we will try to educate and mobilize our members to play their part. It would be very helpful if groups outside the labour movement could be sensitive to our concerns as trade unionists and integrate the arguments I've made here into their own public campaigning.

Now I would like to specifically address the question of unions and the WTO complaint. One of the pillars of the US complaint is the use it makes of the WTO Agreement on Technical Barriers to Trade, which excludes "production processes and production methods" from trade rules. This means that the social, health and safety, environmental and political conditions under which goods are produced are deemed irrelevant. Commodities with the same characteristics must be treated as "equivalent" products under national and sub-national laws and regulations. This applies also to labelling requirements, which can be treated as discriminatory.

Separating the production process and the products means denying the right to know what is in a product and how it was produced. This exclusion is a direct challenge to the labour movement's entire history of struggle. Unions have always fought for products to be judged according to the conditions under which they were produced. For us, and for a growing number of consumers, there is a fundamental difference between, for example, a banana which is produced by union workers and one which is produced by sweated labour working under the threat of violence. This holds equally true for GMOs. GMO soya is not equivalent to non-GMO soya, but that is precisely the distinction which the complaint is trying to erase.

The problem is that the EU's former moratorium is vulnerable on precisely these grounds. It would be consistent with the rules and jurisprudence of the WTO if the dispute resolution panel ruled in favor of the US. And that is precisely why we can't rely on the argument that restricting GMOs is WTO-compatible. It is arguably not. We have to challenge the rules of the WTO, and this is what the Commission is unwilling and unable to do. Europe's own agrofood companies have done very well under the existing rules - consider for example the subsidies issue - and Europe's own biotech industry, which opposed the moratorium

and worked hard to undermine it, is eagerly waiting to cash in on new approvals for its own GMO products. The Commission's defense against the WTO is contradictory because it is under conflicting pressures - from consumers, who reject GMOs, and from the US government and its own biotech industry, who seek to impose them.

The EU submission on the US case essentially argues that there never was a moratorium, and if there was selective refusal of particular GMO products it was WTO compatible. This simply won't wash. The Commission can't and won't fight for a real moratorium, and this is the fundamental problem we have to address. Europe's own biotech industry would like to see a decision in favor of the US, which means that we have to fight on two fronts. The fact that the Commissioners were prepared to vote last month in favor of seed regulations which would have legalized GMO contamination of conventional seed stocks shows just how weak is the political will within the EU institutions to fight for the kind of regulations and laws we need to keep out GMOs.

Authorizations on specific GMO crops shouldn't be made by the Commission in any event - this is actually a matter for the ministers to decide, but they prefer to abstain from taking the necessary decisions and let the Commission do the dirty work. We've seen a similar process at work in North America, where both the Canadian and the US governments have been ready and willing to lose corporate challenges under the NATA dispute resolution procedures aimed at getting rid of environmental legislation in particular states which the federal governments were unwilling to defend.

So I think in summing up that two lessons emerge from this. First, that we have to work even harder to increase the effectiveness of nationally-based campaigns against GMOs, to ensure that the voice of European citizens and workers who reject GMOs translates more effectively into national and European-level political decisions which can defeat the biotech and corporate lobby on this issue. If we can't do this, Europe's own GMO lobby will subvert the institutions and processes which are supposed to be defending us.

Second, we have to transform the debate on GMOs and lift it out of the narrow confines of the WTO rules and the false issue of WTO-compatibility. The Commission's own submission actually contains a hint of this when it says "There is a serious question as to whether the WTO is the appropriate international forum for resolving all the GMO issues that the Complainants have raised

in these cases." This is really the essence of the issue. For the IUF, WTO rules which would restrict or ban labelling requirements and limit restrictions or bans on GMOs are in violation of international human rights instruments which in fact require states to take such measures to defend the health and safety of their citizens and protect the environment. The Biosafety Protocol to the International Convention on Biodiversity, which entered into effect last year, provides a basis in international law for rejecting GMO imports and their release into the environment. But since it is based on the precautionary principle, it can only be enforced over and against the WTO. A key question for our movement now is how to make effective use of the Protocol and other human rights instruments to build an effective defense against the corporate aggression embodied in the US complaint as well as to defend against Europe's own biotech industry and their political proxies. We hope that this meeting and what follows can help contribute to this process.

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When former Coalition Provisional Authority (CPA) administrator L. Paul Bremer III left Baghdad after the so-called "transfer of sovereignty" in June 2004, he left behind the 100 orders he enacted as chief of the occupation authority in Iraq. Among them is Order 81 on "Patent, Industrial Design, Undisclosed Information, Integrated Circuits and Plant Variety." (1) This order amends Iraq's original patent law of 1970 and unless and until it is revised or repealed by a new Iraqi government, it now has the status and force of a binding law. (2)

With important implications for farmers and the future of agriculture in Iraq, this order is yet another important component in the United States' attempts to radically transform Iraq's economy.

### WHO GAINS?

For generations, small farmers in Iraq operated in an essentially unregulated, informal seed supply system. Farm-saved seed and the free innovation with and exchange of planting materials among farming communities has long been the basis of agricultural practice. This has been made illegal under the new law. The seeds farmers are now allowed to plant - "protected" crop varieties brought into Iraq by transnational corporations in the name of agricultural reconstruction - will be

## **IRAQ'S NEW PATENT LAW: A DECLARATION OF WAR AGAINST FARMERS**

GRAIN and Focus on the Global South

the property of the corporations. While historically the Iraqi constitution prohibited private ownership of biological resources, the new US-imposed patent law introduces a system of monopoly rights over seeds. Inserted into Iraq's previous patent law is a whole new chapter on Plant Variety Protection (PVP) that provides for the "protection of new varieties of plants." PVP is an intellectual property right (IPR) or a kind of patent for plant varieties which gives an exclusive monopoly right on planting material to a plant breeder who claims to have discovered or developed a new variety. So the "protection" in PVP has nothing to do with conservation, but refers to safeguarding of the commercial interests of private breeders (usually large corporations) claiming to have created the new plants.

To qualify for PVP, plant varieties must comply with the standards of the UPOV (3) Convention, which requires them to be new, distinct, uniform and stable. Farmers' seeds cannot meet these criteria, making PVP-protected seeds the exclusive domain of corporations. The rights granted to plant breeders in this scheme include the exclusive right to produce, reproduce, sell, export, import and store the protected varieties. These rights extend to harvested material, including whole plants and parts of plants obtained from the use of a protected variety. This kind of PVP system is often the first step towards allowing the full-fledged patenting of life forms. Indeed, in this case the rest of the law does not rule out the patenting of plants or animals.

The term of the monopoly is 20 years for crop varieties and 25 for trees and vines. During this time the protected variety de facto becomes the property of the breeder, and nobody can plant or otherwise use this variety without compensating the breeder. This new law means that Iraqi farmers can neither freely legally plant nor save for re-planting seeds of any plant variety registered under the plant variety provisions of the new patent law. (4) This deprives farmers what they and many others worldwide claim as their inherent right to save and replant seeds.

### **CORPORATE CONTROL**

The new law is presented as being necessary to ensure the supply of good quality seeds in Iraq

and to facilitate Iraq's accession to the WTO (5). What it will actually do is facilitate the penetration of Iraqi agriculture by the likes of Monsanto, Syngenta, Bayer and Dow Chemical – the corporate giants that control seed trade across the globe. Eliminating competition from farmers is a prerequisite for these companies to open up operations in Iraq, which the new law has achieved. Taking over the first step in the food chain is their next move.

The new patent law also explicitly promotes the commercialisation of genetically modified (GM) seeds in Iraq. Despite serious resistance from farmers and consumers around the world, these same companies are pushing GM crops on farmers around the world for their own profit. Contrary to what the industry is asserting, GM seeds do not reduce the use of pesticides, but they pose a threat to the environment and to people's health while they increase farmers dependency on agribusiness. In some countries like India, the 'accidental' release of GM crops is deliberately manipulated (6), since physical segregation of GM and GM-free crops is not feasible. Once introduced into the agro-ecological cycle there is no possible recall or cleanup from genetic pollution (7).

As to the WTO argument, Iraq legally has a number of options for complying with the organisation's rules on intellectual property but the US simply decided that Iraq should not enjoy or explore them.

### **RECONSTRUCTION FACADE**

Iraq is one more arena in a global drive for the adoption of seed patent laws protecting the monopoly rights of multinational corporations at the expense of local farmers. Over the past decade, many countries of the South have been compelled (8) to adopt seed patent laws through bilateral treaties (9). The US has pushed for UPOV-styled plant protection laws beyond the IPR standards of the WTO in bilateral trade through agreements for example with Sri Lanka (10) and Cambodia (11). Likewise, post-conflict countries have been especially targeted. For instance, as part of its reconstruction package the US has recently signed a Trade and Investment Framework Agreement with Afghanistan (12), which would also include IPR-related issues.

Iraq is a special case in that the adoption of the patent law was not part of negotiations between sovereign countries. Nor did a sovereign law-making body enact it as reflecting the will of the Iraqi people. In Iraq, the patent law is just one more component in the comprehensive and radical transformation of the occupied country's

economy along neo-liberal lines by the occupying powers. This transformation would entail not just the adoption of favoured laws but also the establishment of institutions that are most conducive to a free market regime.

Order 81 is just one of 100 Orders left behind by Bremer and among the more notable of these laws is the controversial Order 39 which effectively lays down the over-all legal framework for Iraq's economy by giving foreign investors rights equal to Iraqis in exploiting Iraq's domestic market. Taken together, all these laws, which cover virtually all aspects of the economy – including Iraq's trade regime, the mandate of the Central Bank, regulations on trade union activities, etc. – lay the bases for the US' bigger objective of building a neo-liberal regime in Iraq. Order 81 explicitly states that its provisions are consistent with Iraq's "transition from a non-transparent centrally planned economy to a free market economy characterised by sustainable economic growth through the establishment of a dynamic private sector, and the need to enact institutional and legal reforms to give it effect."

Pushing for these "reforms" in Iraq has been the US Agency for International Development, which has been implementing an Agricultural Reconstruction and Development Program for Iraq (ARDI) since October 2003. To carry it out, a one-year US\$5 million contract was granted to the US consulting firm Development Alternatives, Inc. (13) with the Texas A&M University (14) as an implementing partner. Part of the work has been sub-contracted to Sagric International (15) of Australia. The goal of ARDI in the name of rebuilding the farming sector is to develop the agribusiness opportunities and thus provide markets for agricultural products and services from overseas.

Reconstruction work, thus, is not necessarily about rebuilding domestic economies and capacities, but about helping corporations approved by the occupying forces to capitalise on market opportunities in Iraq. (16) The legal framework laid down by Bremer ensures that although US troops may leave Iraq in the conceivable future, US domination of Iraq's economy is here to stay.

### **FOOD SOVEREIGNTY**

Food sovereignty is the right of people to define their own food and agriculture policies, to protect and regulate domestic agricultural production and trade, to decide the way food should be produced, what should be grown locally and what should be imported. The demand for food sovereignty and the opposition to the patenting of

seeds has been central to the small farmers' struggle all over the world over the past decade. By fundamentally altering the IPR regime, the US has ensured that Iraq's agricultural system will remain under "occupation" in Iraq.

Iraq has the potential to feed itself. But instead of developing this capacity, the US has shaped the future of Iraq's food and farming to serve the interests of US corporations. The new IPR regime pays scant respect to Iraqi farmers' contributions to the development of important crops like wheat, barley, date and pulses. Samples of such farmers' varieties were starting to be saved in the 1970s in the country's national gene bank in Abu Ghraib outside Baghdad. It is feared that all these have been lost in the long years of conflict. However, the Syria-based Consultative Group on International Agricultural Research (CGIAR) (17) centre – International Centre for Agricultural Research in Dry Areas (ICARDA) still holds accessions of several Iraqi varieties. These collections that are evidence of the Iraqi farmers' knowledge are supposed to be held in trust by the centre. These comprise the agricultural heritage of Iraq belonging to the Iraqi farmers that ought now to be repatriated. There have been situations where germplasm held by an international agricultural research centre has been "leaked out" for research and development to Northern scientists (18). Such kind of "biopiracy" is fuelled by an IPR regime that ignores the prior art of the farmer and grants rights to a breeder who claims to have created something new from the material and knowledge of the very farmer.

While political sovereignty remains an illusion, food sovereignty for the Iraqi people has already been made near impossible by these new regulations. Iraq's freedom and sovereignty will remain questionable for as long as Iraqis do not have control over what they sow, grow, reap and eat.

1. Patent, Industrial Design, Undisclosed Information, Integrated Circuits and Plant Variety Law of 2004, CPA Order No. 81, 26 April 2004, [http://www.iraqcoalition.org/regulations/20040426\\_CPAORD\\_81\\_Patents\\_Law.pdf](http://www.iraqcoalition.org/regulations/20040426_CPAORD_81_Patents_Law.pdf)

2. The PVP provisions will be put into effect as soon as the Iraqi Minister of Agriculture passes the necessary executive orders of implementation in accordance with this law.

3. UPOV stands for International Union for the Protection of New Plant Varieties. Headquartered in Geneva, Switzerland it is an intergovernmental organisation with 53 members, mostly industrialised countries. The UPOV Convention is a set of standards for the protection of plant varieties, mainly geared toward industrial agriculture and corporate interests.

See <http://www.upov.org>.

4. Chapter Threequarter Article 15 B: Farmers shall be prohibited from re-using seeds of protected varieties or any variety mentioned....
5. The World Trade Organisation, wherein the Iraqi Government has an observer status.
6. <http://www.grain.org/research/contamination.cfm?agenda>
7. GRAIN, "Confronting contamination: 5 reasons to reject co-existence", Seedling, April 2004, p 1. <http://www.grain.org/seedling/?id=280>
8. GRAIN, PVP in the South: caving in to UPOV, <http://www.grain.org/rights/tripsreview.cfm?id=64>
9. GRAIN, Bilateral agreements imposing TRIPS-plus intellectual property rights on biodiversity in developing countries, <http://www.grain.org/rights/tripsplus.cfm?id=68>
10. <http://www.grain.org/brl/?typeid=15>
11. [http://www.bilaterals.org/article.php3?id\\_article=387](http://www.bilaterals.org/article.php3?id_article=387)
12. [http://www.ustr.gov/Document\\_Library/Press\\_Releases/2004/September/United\\_States\\_Agrees\\_to\\_Sign\\_Trade\\_Investment\\_Framework\\_Agreement.html](http://www.ustr.gov/Document_Library/Press_Releases/2004/September/United_States_Agrees_to_Sign_Trade_Investment_Framework_Agreement.html)
13. [www.dai.com](http://www.dai.com)
14. The University's Agriculture Program "is a recognised world leader in using biotechnology..." & the University works closely with the USDA Agriculture Research Service.
15. [www.sagric.com.au](http://www.sagric.com.au)
16. [http://www.export.gov/iraq/market\\_ops/index.html](http://www.export.gov/iraq/market_ops/index.html)
17. Consultative Group on International Agricultural Research (CGIAR) system, with its 16 International Agricultural Research Centres (IARCs) of which ICARDA is one, holds the world's largest collections of plant genetic resources outside their natural habitat, which includes both farmers' varieties and improved varieties.
18. In 2001 it was discovered that a US plant geneticist had obtained the seeds of the original strain of the famed Thai Jasmine rice, Khao Dok Mali (KDM) 105, from the Philippines-based CGIAR centre - International Rice Research Institute (IRRI). But no Material Transfer Agreement (MTA) signed in the process, despite international obligations on IRRI to enforce this.