

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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AS the ministerial in Doha reaches the halfway mark, prospects of an agreement that would satisfy everyone are remote. At this stage, the EU and the US can count themselves lucky that the developing countries have not walked out, and the best they can hope for is a face saving declaration of an "extended work plan" – the current euphemism for a new round. But even that may not be enough to save the already tattered reputation of the WTO or of its director general Mike Moore who has been widely criticised for his heavy-handed and partial approach. When the trade ministers line up for the obligatory "family" photo at the end of the ministerial, as in most family photos, the impression of goodwill and unity will be as thin as the paper it is printed on.

In this issue of Focus on Trade, Walden Bello and Anuradha Mittal update on the scene in Doha, protestors make themselves heard, Mike Moore warns against protectionism and Jose Bove charms the Qatari security forces.

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Focus on the Global South is an autonomous programme of policy research and action of the Chulalongkorn University Social Research Institute (CUSRI) based in Bangkok.

STANDOFF IN NEGOTIATIONS

By Walden Bello in Doha

DOHA, Sunday 11 November

Intense backroom discussions marked the first two days of the WTO meeting.

Developing countries feel that the ministerial draft circulated by Director General Michael Moore and Stuart Harbinson, chairperson of the General Council, is unbalanced and does not reflect their opinions and interest.

Murasoli Maran, India's Minister of Trade and Industry, stated that the ministerial was "a mere formality and we are being coerced against our will."

The United States, the European Union, and other developed countries want to launch a new round of trade negotiations that would include addressing the "new issues" of investment, government procurement, competition policy, and trade facilitation.

The developing countries want the ministerial to focus mainly on implementation matters related to the previous round, the Uruguay Round.

"This is simply a matter of capacity. With all the outstanding problems of implementation, developing countries simply cannot take on new commitments to liberalize now," said Minister of Industry and Trade Iddi Samba from Tanzania.

Samba also attacked the

"non-transparent process that is marginalising the African countries."

He added, "No matter how loudly we say it, it seems our opinions no longer count."

Given the standoff between developed and developing countries, the fate of the Fourth Ministerial Session of the WTO hang in the balance as it entered its third day on Sunday, November 11.

US MARINES TOLD

"GET OUT OF WTO"

(as told by phone from Doha)

Saturday, 10 November — More than sixty protestors lined the corridor leading to the US Trade Representative's press briefing on China on Saturday evening in Doha.

Holding placards calling for "No arm-twisting" and chanting "Zoellick go home" and "US marines out of the WTO," the demonstrators were cheered by delegates and press alike. Since the start of the meeting, many delegates have been muttering complaints about the US' imperial behaviour in Doha, exemplified by US Trade Representative Robert B. Zoellick who never moves without a Roman phalanx of US marines rudely jostling anyone who stands in their way.

The behaviour of the US authorities stands in contrast to that of the Qataris, who are being extremely flexible in their approach to the demonstrations. So much so that many NGOs have suggested that the Qataris should go to the US and Italy to teach them how to relate to demonstrators.

French activist Jose Bove even seems to have a small fan club amongst the security guards. Bove, whose highly recognisable face has appeared all over the press, is regularly stopped by guards who seem caught between preventing him from entering rooms and wanting to have their photo taken with the famous farmer. Bove obliges happily, no doubt

with a pipe jammed in the corner of his mouth.

SNAPSHOTS FROM DOHA

By Walden Bello

Standing on both sides of the entrance to the huge Al Dafna Hall at the Sheraton, the protesters carried a common sign that read “No Voice at the WTO,” calling attention to the lack of transparency, democracy, and civil society input in the decision-making processes of the organization. Once over 5000 had filed in, the demonstrators started chanting “What do we want? Democracy!” An effort by Jose Bove, the famous French anti-McDonalds activist, to lead the demonstrators into the hall was initially countered by Qatari security forces. A few moments later, however, they were allowed in. Fulfilling a pledge made at an open session earlier in the day by the Crown Prince, none of the activists was arrested or detained.

Superparanoia is the only word that can describe the state of mind of the US security force in Doha. As delegates began to arrive, the US Trade Representative’s office moved to get US NGO representatives billeted at the Ritz Carlton with the government people. One of them was Anuradha Mittal, executive director of food First. When they found out that Anuradha was a citizen of India, they “freaked out,” she said. They prevented her from riding on the same bus from the hotel to the conference site, refused her access to US official briefings, and did not provide her with a security phone and a gas mask, which they were distributing to other members of

the American entourage.

Much fewer NGO representatives are in Doha compared to Seattle, according to a report in the Peninsula, a Doha newspaper.

Here is an excerpt from the article:

“While the numbers of NGO representatives and mediapersons covering the 4th ministerial meeting of the WTO in Doha pales in comparison to those at the 1999 conference in Seattle, the number of delegates has more or less remained the same, said an official yesterday.

“As against the expected attendance of 4500 announced earlier by the organizers, about 3800 people are in Doha to attend the conference.

“Briefing the media ahead of the meeting’s formal inauguration, WTO spokesman Keith Rockwell said the largest delegation of 159 has come from Japan. This is followed by the French (75), Canada (62), Indonesia (60), United States (51), and India (48).

“The European Union has a presence of 508 delegates, including about 50 representatives of the European Commission. Apart from the delegations of the 142 member countries, 28 observers and 48 international organizations are represented in Doha. Rockwell said the number of delegates attending the conference is 2,641. There are 388 representatives of the non-governmental organizations and 808

media persons. He said the Seattle conference was covered by about 2700 journalists and 650 NGOs had sent in nearly 1300 representatives. “

The Doha Report By Anuradha Mittal

DOHA, November 10

As I headed out of my heavily guarded hotel this morning, which is housing the U.S. delegation, a Qatari security official stopped me. He said, "You were protesting yesterday. I saw you on the television. Your protest was very important to let others know that not everyone is happy with the WTO."

This sentiment has been echoed several times by Qatari officials and cab drivers as well as the local and national media present here. The proceedings of the second day at the Ministerial make the cause of this sentiment obvious.

The US Trade Representative Office organized a briefing for the US NGOs this morning. After yesterday's incident, where they discovered much to their chagrin, that I, an Indian national, was representing a U.S. NGO and housed at the same hotel, the invitation to the briefing read: Please bring your NGO credential and your U.S. passport for entry. I was ready for a conflict if I was stopped given I am representing a U.S. group that represents a larger constituency than the USTR's small corporate lobby. I was not stopped this time.

Nao Matsukata, representative of the USTR, started the briefing by praising Ambassador Zoellick's efforts to understand the concerns of the Third World countries through bilateral meetings before the Doha meetings. He claimed that the U.S. shared the same objectives of market access as the developing nations and

common.

What Mr. Matsukata failed to mention was that while Mr. Zoellick has been trying to negotiate deals with developing nations, he is not empowered to make binding commitments on behalf of the U.S. Article I-8 of the U.S. Constitution grants Congress, the Legislative Branch, exclusive authority over setting the terms of trade agreements. The President and the Trade Representative do not have any such authority unless Congress delegates such power to them.

Several NGO representatives spent the day advising Third World delegates that Congress has not only refused to delegate trade authority to the Bush administration through Fast Track, but also on November 6, Congress passed a resolution forbidding USTR's Zoellick from agreeing to anti-dumping language in the Harbinson text. The message of this lobbying was clear: Please don't compromise your country's interests in exchange for empty promises.

The developing nations are beginning to see the hollowness of promises of transparency and accountability at Doha. The Green Room process of Seattle, which led to protests inside the meetings to strengthen the protests outside, has

taken a new form and shape here. The parallel track process being followed is a plenary where every country has 5 minutes to make a statement. The other track focuses on six issues: Agriculture, Implementation, Environment, Rules, Singapore Issues (Competition and Investment) and Trade Related Intellectual Property Rights (TRIPS). The representatives have 3 minutes to intervene. Then a facilitator (also called Friend of the Chair, already appointed through the WTO Secretariat) will unilaterally follow up with countries most concerned with the text. These facilitators belong to the following countries:

Agriculture-facilitator-Singapore
Implementation-facilitator-Switzerland
Environment-facilitator-Canada
Rules-facilitator-South Africa
Singapore Issues-facilitator-Chile
TRIPS-facilitator-Mexico

These facilitators are not neutral. For example, much to the disappointment of countries like India and Brazil, a delegate from Mexico facilitates TRIPS while it also sides with the U.S. and Switzerland's position on Intellectual Property Rights. The Green Room has now shrunk into a Green Person and reflects a process which clearly discriminates against developing countries.

In the afternoon Geneva-based South Center, a

permanent intergovernmental organization of the developing countries, organized a briefing on the lack of democratic process in the WTO. Speaking at the briefing, the Tanzanian Minister of Trade and Industry, Mr. Iddi Simba, who is also representing the Least Developed Countries (LDCs) said, "We have come to Doha to launch a development agenda. Our attitude to new issues such as investment and competition is that we do not have the capacity to negotiate. Even if our arms are twisted, we cannot. The opt-in and opt-out option is totally unacceptable. We will oppose it."

The pressure on Third World countries by the powerful trading nations and threats related to aid, debt relief, and being branded as deal breakers responsible for furthering global recession is immense. This pressure is being countered by growing protests around the world that support the Third World concerns regarding the impact of trade rules on poverty and sustainable development.

It is obvious that the WTO can run, but can't hide. The global civil society whether present in Doha or protesting in the streets of Delhi, Manila, or San Francisco is determined that our struggle today is the start of the process and not the end.

* Anuradha Mittal, Co-Director of Food First, is in Doha, Qatar attending

the WTO Ministerial Conference and representing the voices of people from developing nations.

WTO LEADER CAUTIONS AGAINST 'PROTECTIONISM'

By Paul Blustein, *Washington Post*

DOHA, Qatar, Nov. 9
The World Trade Organization's top official opened the group's meeting here today with a warning that failure to reach agreement on new trade talks would risk grave damage to the global economy.

Amid massive security preparations and protests by a handful of anti-globalization activists, Michael Moore, the WTO director-general, voiced optimism that trade ministers from the organization's 142 member countries would strike an accord on an agenda for multiyear negotiations aimed at lowering trade barriers worldwide.

Moore admonished against a repetition of the WTO's tumultuous meeting two years ago in Seattle, which ended without an agreement to launch new trade talks. With the dangers of a full-scale world recession mounting, averting a downturn "depends very much on the factor of confidence — among other things confidence that governments will not give way to the temptation of protectionism," he said in an address to the opening session of the conference. "The state of the economy and the threat of protectionism demand a clear commitment by governments to sustain and strengthen the

international trading system and resolve their differences by negotiation."

The speech reflected the somber mood at the meeting, where delegates are struggling to resolve a host of differences over the next five days, the most contentious involving complaints by poor countries that the current rules of global trade favor the rich. Developing nations are particularly insistent that the international system governing drug patents be loosened to allow easier access to cheap medicine. In addition, they are demanding that wealthy countries start negotiating on the elimination of high tariffs and subsidies that protect producers of goods such as agricultural products and clothing in which poor nations are most competitive.

Also casting a pall over the meeting in this Persian Gulf emirate were the extraordinary procedures aimed at ensuring the personal safety of the attendees, who include some 2,600 official delegates, 800 journalists and 400 representatives of businesses and non-governmental organizations.

A perimeter guarded by machine-gun-toting Qatari police and military personnel protected miles of roads

surrounding the conference center, ensuring that anyone without credentials issued in advance was denied entry. In hotels, Qatari security officials wearing traditional white robes and headdresses manned metal detectors and patrolled the halls.

Underscoring fears among U.S. officials that they presented a tempting target for terrorists, security was particularly tight at the hotel housing the American delegation, which is headed by Trade Representative Robert B. Zoellick and Agriculture Secretary Ann M. Veneman.

The circumstances were in stark contrast with the "Battle of Seattle," where tens of thousands of protesters disrupted the meeting and a few hundred anarchists trashed shops and businesses. Although similar, smaller-scale protests were held this week in several cities around the world, including Washington, to coincide with the WTO meeting, the gathering here was hardly conducive to such activity.

For starters, because of limited hotel space here, the WTO has allowed only one representative each from non-governmental organizations such as labor unions, environmental groups and others critical of free trade.

Then there are Qatar's laws, which representatives of American non-governmental organizations were cautioned to observe at a private briefing given by U.S. officials, according to one attendee. Among the laws that were highlighted, this source said, was one that forbids insulting the emir, and another that prohibits "shaming the state."

Violators can be sentenced to more than three years in Qatar's prisons, which though air-conditioned are not pleasant, the attendees were told.

"We're not in Seattle anymore," said Lisa Hoyos, an activist who works with a South African labor group, as she surveyed the desks and tables in the special area designated for non-governmental organizations within the conference complex. "Here you have computers, people in suits... You don't have the organic social movement that we had in Seattle."

Even so, a few dozen activists chanted and waved small, hastily printed placards accusing the WTO of being antidemocratic and biased in favor of the rich, as official delegates filed into the opening session.

"The Qatari government promised to respect peaceful demonstrations, and we really respect them for giving us that opportunity," said Walden Bello, a leading anti-globalization activist who was waving a placard.

Other groups were scornful of the protests and refused to take part.

"We have good access," said Peter Coldrick, an official of the European Trade Union Confederation. "If officials from the WTO and so forth were refusing to talk to us, that would be different, but they're not. We came here to work on our issues from the inside." WTO officials vigorously disputed assertions by some activists that the most powerful countries were planning to hold exclusive meetings this weekend where they would forge an accord that would be presented to the smaller, poorer nations as a *fait accompli* — a practice associated with global trade negotiations in years past.

To the contrary, six trade ministers — from Mexico, Canada, Singapore, South Africa, Chile and Switzerland — will chair committees on the most difficult unresolved issues, and any minister can join any committee, trade officials said this evening.

Still, in a sign of the prevailing discord, WTO officials are generally refraining from describing their goal of multiyear negotiations as a trade "round," because many poor countries believe they got a raw deal in the Uruguay Round, which was completed in 1994. Instead, they are using the term "extended work program" to describe the process that they hope

to launch.

c'est la vie."

"It's true, the term 'round' is sensitive to some folks, and 'work program' sounds bureaucratic and dull," Keith Rockwell, the WTO's chief spokesman, told reporters. "Well,

UNFAIR TRADE CREATES BREEDING GROUND FOR TERRORISM: NGOS

Doha, Qatar. Nov. 10 (AFP).

Anti-globalization groups, attending a WTO ministerial meeting here, charged yesterday that corporate-driven global trade practices create a breeding ground for terrorism.

“The last two decades have been marked by inequality and poverty and also unrestricted trade liberalization...which creates conditions for terrorism,” declared Walden Bello of Focus on the Global South.

“The regional context in which this conference is being held cannot be ignored,” Bello said, accusing the WTO of meeting like “ostriches with their heads in the sand.”

He was speaking as World Trade Organization ministers opened a five-day conference here. Bello said that it would be an “act of fundamental responsibility” for the WTO and delegation heads to issue a “strong statement asking for an end to the misery and tragedy being inflicted on Afghanistan.”

“International trade and politics are inseparable,” he said.

Naseem Bukhari of Noor Pakistan warned that up to seven million Afghan

refugees would flee the US bombardment of their country—reprisals for harboring Osama bin Lade, deemed the prime suspect by Washington in the September 11 terror attacks in the United States.

While condemning the outrages in New York and Washington that killed thousands, Bukhari suggested that the United States should reassess its “interventions and policies in the world.”

Anuradha Mittal of the United States-based Food First said there was a “ground-zero being created in Afghanistan as we speak,” a reference to the term used for the site of the bombed trade towers in New York.

“It is important to look at the structural causes of why people are angry,” Mittal added.

Maude Barlow of the Council of Canadians likened the military strikes on Afghanistan, “to trying to find cancer cells with a blow torch.”

She said the U.S.-led coalition in the campaign against terrorism was bullying the Third World nations into adopting war economies, “that diverted the monies previously earmarked for health and education into military and border security.

“U.S. President George Bush was also using the

events of September 11 to “impose a model on the whole world based on market values, North American dominance and deregulation,” Barlow said.

“There is a Third Way, and that is not the agenda of economic fundamentalism the North is pushing on the South, but fair trade practices,” she said.

Joshua Mata of the Philippines, based Alliance for progressive Labor said that the suicide jet liner bombings were being used to, “bamboozle developing countries into implementing a new trade round.”

The outrages have changed the international scene according to Mata, “against the poor and in favor of the right wingers.”

“We are seeing a country bombed into the stone age.” Bello warned, adding that efforts to paint the globalization movement as somehow linked to

AN OPEN LETTER FROM NGOS TO DEVELOPING COUNTRY TRADE MINISTERS AT THE 4TH WTO MINISTERIAL MEET- ING IN DOHA

terrorism were “malicious.”

We the undersigned civil society groups, are encouraged by the firm stand taken by African trade ministers, LDC trade ministers and other developing country trade ministers, in particular India, in relation to the proposed “New Round” of WTO talks.

Civil society groups around the world support the positions taken by the Africa group, LMG, LDC group and others in resisting the inclusion of ‘new issues’, in particular Singapore issues, in the next round of negotiations. We also support the demand for concrete steps on implementation, which we believe will contribute to sustainable development and poverty eradication.

We are very concerned about the non-transparent and exclusive process leading up to the Doha Ministerial and about the manner in which negotiations in Doha will be conducted. We urge developing country ministers to seek assurance from the Chair that they will be fully involved and consulted at all stages.

We are aware of the immense pressure being exerted on your coun-

tries by the powerful trading nations and the threats relating to aid, debt relief and being branded the deal breakers responsible for furthering the global recession. We applaud your determination to ensure that trade rules benefit the world’s poor and commit ourselves to doing whatever possible to influence governments to redress the deep inequalities in the trading system. If the talks fail, we believe that the political responsibility will lie with the industrialised countries that have repeatedly refused to accommodate your countries’ concerns.

Civil society groups share many of your concerns regarding the impact of trade rules on poverty and sustainable development. This letter is an expression of our support, and an assurance that we will continue to campaign vigorously to try to influence governments in support of your positions. Those of us present in Doha will be happy to discuss other means of forwarding our joint interests.

ActionAid Ireland
ActionAid UK
ActionAid USA
Action for Southern Africa
Action for Economic Reforms
Azione Aiuto
Berne Declaration
BOND
Cafod
Center for Human Rights and Environment Argentina
Christian Aid
CIDSE

Equations
Fairtrade Foundation
Friends of the Earth International
Focus on the Global South
Food First-Institute for Food and Development Policy, USA
Forum Syd
Gaia Foundation
GermanWatch
Greenpeace Brazil
Greenpeace France
Greenpeace International
IATP
International Federation for Alternative Trade
Manos Unidas
National Federation of Women’s Institutes
Noor, Pakistan
Oxfam
Pressure Point, US
Quakers United Nations Office
Save the Children
SCIAF
Seatini
Solagrall
Sustainable Development Policy Institute
Sungi Development Foundation
Traidcraft Exchange
Trocaire
TWIN
UCPA, Uganda VSO

Women’s International League for Peace and Freedom (UK)
World Development Movement
WWF

PRESS STATEMENT BY 'FRIENDS OF THE DEVELOPMENT BOX'

10 November 2001, Doha

World Rural Forum-Asia, India

Members of the Friends of the Development Box Group: Cuba; Dominican Republic; El Salvador; Haiti; Honduras; Kenya; Nicaragua; Nigeria; Pakistan; Peru; Senegal; Sri Lanka; Uganda; Zimbabwe

Agriculture Negotiations Ignore Concerns of Many Developing Countries

Ministers and scores of delegates of the Friends of the Development Box group, listed above, met this morning to express deep concern about the direction of agriculture talks at the WTO.

Despite active participation in the agriculture negotiations, these talks remain dominated by the EU on the one hand, and the US and Cairns group of exporting countries on the other. As a result, these negotiations have ignored developing country concerns about the problems our small subsistence farmers are facing. Since before Seattle, we have been pushing for a 'Development Box' to be included in the Agriculture Agreement, but our proposal has been sidelined. We want specific reference to the 'Development Box' included in the text of the Ministerial Declaration.

Minister of Trade for Pakistan, Abdul Razak Dawood said: 'The impact of the unfair system of agricultural trade has been devastat-

have the resources to subsidize their farmers. We cannot let the livelihoods of the most vulnerable in our countries be blocked by the commercial interests of other countries. Already, the impact of unfair agricultural trade has been devastating for our small farmers, forcing many out of their traditional source of livelihood. We have formed the 'Friends of the Development Box' as a Third Force in agriculture negotiations, and will fight for the 'Development Box' to be a core component of the Agreement on Agriculture. We need the flexibility to take measures to protect our rural poor.'

PRESENT WTO TRADE RULES LEGITIMISE INEQUITABLE AGRICULTURAL TRADE

The WTO is supposed to ensure equity in trade, but the present agricultural trading system in practice legitimises the inequities, for instance, by allowing the dumping of agricultural products from the North. OECD domestic supports have risen by 50% per cent since the time of the Uruguay Round to over US\$ 370 billion today – a figure of \$1 billion a day which is roughly equal to the daily income of the poorest 1 billion people in the world. Subsidies comprise 45% of the value of all production. Small farmers in developing countries simply cannot compete in this unfair environment.

Minister for Agriculture

have to protect our small farmers, make them more efficient and raise their incomes. The issue is the influx of food imports – the result of unfair practices in the developed countries. We need a two pronged approach, raising tariffs on food imports, and while we negotiate with the developed countries for the phased removal of their subsidies.'

Minister of Industry and Commerce for the Dominican Republic Sr Hugo Maximiliano Guiliani said: 'This group is essential. It enables our country to be taken into account and exert some influence on the agriculture negotiations, to achieve the key objective of rural development and food security. It is essential that we exercise our collective efforts to establish the Development Box.'

WELFARE OF SMALL FARMERS CRITICAL FOR BROAD BASED DEVELOPMENT

In many developing countries, up to 60-90% of our population are small farmers. Agricultural production is critical as the key sources of employment and food security. Because there are no guaranteed alternative sources of employment for such a large number, large-scale food imports for many of our countries are synonymous with importing unemployment and food insecurity.

Minister of Planning for

ment on Agriculture protects the interests of the developed countries at the expense of the developing countries. In spite of this, the Chair has ignored the request from the Friends of the Development Box to include a reference in the revised draft text for the ministerial declaration. It is imperative that paragraph 13 of the draft ministerial text is amended to include an explicit reference to the Development Box.'

The meeting was attended by over 60 delegates and NGOs, many of whom spoke from the floor in support of the Development Box. Duncan Green of the Catholic Aid agency for Overseas Development (CAFOD) said 'the Development Box marks a new approach to agriculture – setting the rules to meet the needs of poor farmers, rather than obliging them to adjust to liberalisation, whatever the cost'

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