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ORIGINAL FTAA VISION SCRAPPED AS PEOPLE POUR INTO MIAMI FOR ANTI-FREE TRADE PROTEST

By Walden Bello*

MIAMI, 20 November — The United States will try to paint the Miami meeting of the Free Trade of the Americas (FTAA) as a success, but the reality is that the anti-FTAA side has pulled off a victory. This was the assessment of movement leaders as thousands of protesters from all over the Americas converged on this city for Friday's March for Global Justice and the Miami-Dade Country police mounted a massive show of force to intimidate the opposition.

PROTESTERS NOT INTIMIDATED

That the people were not cowed was evident at the "Gala for Global Justice" on the evening of Wednesday, November 19. Opposition to the FTAA and people coming together for "another world" was the theme of event, which featured a program of music and speeches from activists from throughout the Americas. Representing the US labor movement in the program, Leo Girard, president of the United Steelworkers Union, declared, "We will not let them steal our sovereignty. This is not just about trade but also about investment and privileges for greedy investors and financiers. This fight is a fight for our children and grandchildren." He singled out the contribution of student activists against sweatshops, telling the story of how earlier in the afternoon, "on the way to Guzman Park to attend the People's Forum, we saw a group of students surrounded by cops and searched. And guess what, hundreds of steelworkers surrounded the cops and told them to let the students go. And they did." And that brought the crowd to its feet.

WASHINGTON RETREATS ON FTAA

The big news on Wednesday, however, was the scrapping of the original FTAA vision. "The US wanted a binding comprehensive agreement with disciplines all the way through," said one official delegate from a Latin American country who has participated in the negotiations. "The draft ministerial declaration coming out of the Trade Negotiations Committee clearly is a retreat from that."

Instead, the draft proposes a "flexible" process where governments can decide to exclude some areas from FTAA negotiations for liberalization even as other governments negotiate liberalization in these areas. As the declaration unambiguously states, "Ministers recognize that countries may assume different levels of commitments...In addition, negotiations should allow for countries that so choose, within the FTAA, to agree to additional obligations and benefits."

This will allow Brazil and the other members of the Mercosur trade area to withdraw from negotiations on investment, intellectual property, government procurement, services, investment, competition policy, and other

areas they do not wish to subject to mandatory liberalization. At the same time, it will allow the US to continue its policies of massive subsidization of its agriculture by not joining negotiations on agriculture. The result is what pundits have called "FTAA lite" or "FTAA a la carte."

Essentially, the ministerial declaration is the one tabled by Brazil at the Trade Negotiating Committee meeting in San Salvador last July. As the Latin American negotiator put it, "Brazil was saying, look, 2003 is different from 1994, when Clinton launched the FTAA negotiations. Free trade policies have brought about bad results throughout Latin America. People have ousted neoliberal governments. There was no way the US was going to get the comprehensive free trade agreement it wanted today."

To the surprise of many, the US agreed to the Brazilian compromise a few weeks before Miami. But, according to the Latin American negotiator, the alternative was another Cancun, referring to the collapse of the fifth ministerial of the World Trade Organization, owing to widely disparate positions between Brazil and its allies and Washington, Canada, and their supporters. This was not another high-profile setback the Bush administrator could afford coming into an election year.

Despite the US stand-down, says Timi Gerson, a trade campaigner with Public Citizen, it will paint Miami as a success. "They'll say the train has not been derailed, as in Cancun, that it is leaving Miami with nine boxcars or negotiating areas intact. What they'll try to conceal is that those boxcars are empty because people throughout the Americas have refused to go aboard."

Activists Caution Vigilance

To counter Washington's spin on events while calling for continued vigilance among FTAA forces, the broad alliance Continental Campaign against the Americas issued the following statement on Wednesday, May 19, shortly after the appearance of the draft declaration:

"We are witnessing in Miami the failure of the original FTAA project, and at the same time the emergence of a new and perhaps more dangerous proposal for negotiations.

"The United States will try and present the 'flexible' proposal to move the negotiations forward as a success of the Ministerial Meeting. But this is only a façade...Miami has revealed that the United States has lost its capacity to convince people of the virtues of its 'free' trade project, and is using force to impose its objectives, trying to isolate the governments of the continent that are proposing a different vision."

To Brazilian trade organizer Fatima Mello, although the original FTAA vision has been disrupted, "So long as the FTAA's framework and basic principles remain intact, the imposition of neoliberal trade policies will remain a

threat, so it is important to oppose even this watered-down version of the FTAA.”

To cover its tactical retreat on the FTAA, US Trade Representative Robert Zoellick announced on Wednesday that Washington would launch negotiations for bilateral free trade pacts with the Dominican Republic, Panama, Bolivia, Colombia, Ecuador, and Peru. To Sarah Anderson, trade analyst of the Institute for Policy Studies in Washington, the US move is a confession of weakness. “They’re admitting they can’t get what they want via the FTAA, and that’s because people and governments are resisting throughout the Americas.”

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THE POST-CANCUN BACKLASH, AND SEVEN STRATEGIES TO KEEP THE WTO OFF THE TRACKS

By Aileen Kwa*

GATT and WTO Ministerial meetings have the tradition of collapsing when developing countries stand up for their legitimate rights and interests. This has been the situation since the Uruguay Round, during which two ministerials collapsed — in Montreal (1988) and Brussels (1990). The sticking point was agriculture and the refusal of developing countries to accept the double standards of protectionism practiced by the North, whilst at the same time imposing market opening on the South.

Similarly, the collapse of the Seattle Ministerial in 1999 was in large part due to the refusal of developing countries to be ignored in the process and to be forced to accept a package agreed by the major powers amongst themselves.

Cancun - four years on - is little different. The US, EU and their allies, while brandishing rhetoric and appearing to be benevolent, were merely trying, yet again, to extract the highest price from the developing world without giving anything in return. Developing countries did not back down in their fight for more balance in the package. The G-20 coalition continued to fight for less distortions in agriculture trade, and the G-70 (or Alliance as they are now called), composed of the African Union, ACP (Africa, Caribbean and Pacific) and LDCs (least developed countries), refused to accept new negotiations in the ‘Singapore issues’. The US was unwilling to budge in agriculture, nor to give anything on the cotton issue where four West African countries – Benin, Burkino Faso, Mali and Chad — had made a powerful call for the elimination of cotton subsidies. The cotton lobby in the US is too powerful, and the Bush administration, heading into elections in 2004, was not interested in antagonizing them.

Post-Cancun, men in Geneva speculate that the US, angered by developing countries’ refusal to back down, and their inability to force their agenda onto the developing world, engineered for the meeting to end when it did.

However, if the not-so-distant Seattle, post-Seattle and the 2001 Doha Ministerial negotiations are indicative, talks will restart, and in response to the Cancun show of strength from the South, the counter-offensive from US and EU will be all the more aggressive.

THE US AND EU HIT BACK: THE BLAME GAME

Already, the counter-offensive is in full swing. The blame game, which EU trade commissioner Pascal Lamy promised in Cancun he would not play, is underway. Both the US and EU are spinning the story that the Cancun collapse was the fault of developing countries, blaming them for being rhetorical rather than serious in the negotiations. Should they want any movement now, the EU and

US insist, the developing countries will have to come up with a better offer.

US trade representative Robert Zoellick, right after the collapse of Cancun, also said that “The harsh rhetoric of the ‘won’t do’ overwhelmed the concerted efforts of the ‘can do’.” More recently, the US Commerce under-secretary, Grant Aldonas said that there was “not a lot of incentive” for the US and the EU to “lower politically sensitive trade barriers if poor countries refused to lower theirs.”

Commissioner Lamy has been quoted as saying that the EC and the US “will be waiting for a number of positive signals coming from other parts of the trade community,” such as the G-20 and the G-70.

Developing country ministers and ambassadors have also come under fire. The US, for instance, called a meeting of Washington-based developing country negotiators to complain about the unreasonable positions of their Geneva counterparts. This led to the Nigerian Washington based ambassador writing to his president Obasanjo, questioning the position that the Nigerian Geneva-based ambassador was taking. One LDC African delegate, whose minister was prominent in Cancun, said that his minister is now being called by “everyone, including the US”, and made to answer the question of how the Cancun talks can be put back on track. The World Bank and IMF have also written to many developing country heads of state instructing them to restart talks, obviously with the implication that funds could be given or withdrawn.

On November 13 and 14 an exclusive, informal ministerial meeting was held in Cairo between a small group of African ministers. The meeting was convened by the WTO’s director general Supachai Panitchpakdi, and his chef de cabinet, Stuart Harbinson. Ministers from Benin, Botswana, Burkina Faso, Chad, Kenya, Lesotho, Mali, Mauritius, Nigeria, Senegal, South Africa and the host, Egypt, were present. The topic under discussion was how African ministers can take steps to move the talks forward. It is clear that the DG Supachai is attempting to do all in his power to call ministers to be more flexible. A key area of discussion in the Cairo meeting was the Singapore issues.

In addition, the US has exerted considerable pressure on the G-20 to break the coalition. Six countries have pulled out of the grouping so far – El Salvador, Guatemala, Peru, Ecuador, Columbia and Costa Rica — as a result of threats that their FTAs and other trading arrangements with the US would be jeopardised.

Brazil, the leader of the G-20, both in Cancun and post-Cancun has been demonized by the US as trying to create a North-South split in the WTO membership.

CURRENT US/EU ATTEMPTS TO WRESTLE GROUND FROM DEVELOPING COUNTRIES

In Geneva, the US and EU have found, in the Uruguay ambassador Perez del Castillo, an appropriate spokesperson for their interests. Del Castillo is the current chair of the general council and has set himself the task of attempting to complete the work that ministers did not finish in Cancun by the 15 December senior official meeting in Geneva. He has chosen four of the most contentious issues to begin consultations as a way to unlock the negotiations: agriculture, cotton, Singapore issues and non-agriculture market access (NAMA).

The main negotiations are held in non-transparent consultations of only about 30 members (or ‘green room’ meetings). In agriculture and NAMA, del Castillo has been pushing hard for the developing countries to accept the Cancun-produced Derbez text (named after the Mexican minister presiding at Cancun).

In agriculture, the Derbez text is very similar to the joint US/EU paper that was submitted to the WTO membership in August, which took into account only the US and EU agricultural interests. It calls for drastic market access openings in such a way that it would hit the developing countries hard, but not the developed countries, and does not deal effectively with subsidies that contribute directly or indirectly to export dumping.

Similarly, in the non-agriculture market access negotiations, the Derbez text does not reflect developing country concerns. It does not include commitments made in the Doha Declaration (such as the concept of less than full reciprocity) but enhances developed countries’ interests, for instance by calling for a non-linear formula, as well as a sectoral liberalization approach. (See following article for full discussions of this point.) The majority of developing countries have been vehemently opposed to both these liberalization strategies since their industries are more vulnerable, and they will be celled to liberalize more than the developed countries. Neither does the text call on the developed world to reduce their protection in any meaningful way, since it glosses over the issue of non-tariff barriers - the most common way the developed world protects their industrial products. UNCTAD has already predicted that if the current liberalization agenda is adopted there will be serious destruction to many countries’ already fragile industrial base, leading to deindustrialization.

There is no doubt that, if these texts are accepted as the basis of negotiations, developing countries will fight very hard to ensure that they are improved. However, as one negotiator commented, recognizing the political constraints of the South in any negotiations with the major powers, “The US/EC framework is biased against us from the beginning. We can try to improve them, but they cannot be entirely improved upon.”

African and other developing countries' negotiators, now blamed for Cancun's collapse, are being told by the major powers that their agreement to use this biased Derbez text as the basis of negotiations is one way to demonstrate their willingness to be constructive.

Similarly, despite over 90 countries insisting on not commencing negotiations on the Singapore issues in Cancun, del Castillo is ignoring their public statements. In Geneva, he is now proposing that the clarification process continues for investment and competition, with a view to eventual negotiations, and that negotiations take place in transparency in government procurement and trade facilitation.

CIVIL SOCIETY STRATEGIES: KEEPING THE TRAIN OFF THE TRACKS

From the outset, it should be noted that the WTO is beyond reform. This is not an ideological argument, but an empirical observation. If there is doubt, one need only ask if any changes have been made since its formation which have benefited the developing world.

Developing country negotiators, trade unions, social movements and NGOs have worked very hard since the WTO's inception to improve upon its inequitable rules. However, the rules have not been changed to their benefit in even minuscule ways. This is true in all areas – agriculture, TRIPS and Public Health, implementation issues, the Framework agreement on Special and Differential Treatment, GATS. Even in institutional reform (democracy and transparency issues) where developing countries made a concerted effort post-Doha, nothing has changed. If anything, the anti-democratic processes have merely become more sophisticated. In not a single set of negotiations within this WTO multilateral system, have developing countries come out as the beneficiaries. Instead, the developing countries are forced into the corner of damage limitation. We should have no illusions about the current negotiations either.

Even though developing country coalitions are now able to pull some weight and are set to become significant and permanent partners at the negotiating table, they will remain politically less powerful and their ability to chart the institution's agenda and direction will be limited.

SEVEN STRATEGIES FOR KEEPING THE TRAIN OFF THE TRACK

What then should our strategies be? In the short term, the next WTO ministerial in Hong Kong (end 2004 or early 2005) will be a crunch point. Either the train remains derailed or, given the aggressive US-EU counter-attack, arm-twisting, and bullying, it gets back on track and charges ahead with a renewed force.

The following are some suggestions on how to keep the train off-track:

1) Keep the EU Member States Split on the Singapore Issues, Developing Countries Should Insist on Dropping them from the Doha Mandate and WTO

European civil society groups did a signal service before Cancun by lobbying the various member states to drop the 'new issues'. As a result, EU member states are now split. Such splits should be reinforced, so as to make the European Commission's position as negotiator on behalf of the member states as difficult as possible.

Developing countries should insist on dropping the Singapore issues from the Doha Development Agenda and from the WTO since there was no explicit consensus to launch any of the negotiations at the Fifth Ministerial, as instructed in the Doha Declaration. Legally, it can be argued that the Doha mandate is now over. (See South Centre Informal Background note, 'The Post-Cancun Legal Status of Singapore Issues in the WTO', draft, 4 November 2003.) The working groups on the new issues - Investment, Competition, Transparency in Government Procurement, as well as the Special Session of the Good Council dealing with Trade Facilitation- should cease to exist.

2) Insist on Halting Agriculture Negotiations Until there is an End to Export Dumping

Civil society groups, particularly in the EU and US should insist that their governments halt agriculture negotiations until such time direct or indirect subsidies contributing to export dumping have been eliminated. Whilst small farmers in the North also require support, it is important that this support does not contribute to dumping. The Common Agricultural Policy (CAP) for instance, should delineate between products for domestic production vs. export production. Subsidies must not be allowed for those products aimed at the export market.

3) Cotton Initiative

It is important that this initiative is continued, and on a separate track from the more general agriculture negotiations. This issue was a likely cause of the Cancun collapse. The two areas where the US and the EC do not want to tread, and therefore where pressure should be exerted, are: i) ensuring the elimination of subsidies in cotton and ii) providing financial compensation for the injuries caused. Both Brussels and Washington are fearful that compensating the West Africans would set a precedent in the WTO for financial compensation in other sectors.

4) Non-agriculture Market Access Negotiations (NAMA)

Support developing countries in their resistance to drastic liberalization of the industrial sector. More studies on the impact of liberalization and deindustrialization in the South should be carried out before negotiations recommence.

5) Oppose Strengthening the Secretariat and Director General's Powers, Insist on Democracy and Transparency

Whilst the European trade commission Lamy had said that the WTO is “medieval”, his real intention is to make it Stone Age so that the process of decision-making is one where the positions of developed countries will carry the day. Amongst other reforms, the EC is proposing looking into increasing funding for the Secretariat and strengthening the powers of the Director General (DG). Both these items are highly dangerous.

The 500-strong WTO secretariat staff has a track record of pushing the agenda of the major powers. The secretariat, rather than chairpersons, is responsible for drafting language for negotiating texts which invariably emerge counter to the interests of developing countries. Similarly, the suggestion to strengthen the role of the director general should not be taken up. The director general’s position must remain one of neutrality and the DG should not be engaged in the negotiations. A strengthened role may legitimize the DG taking positions in the negotiations, which should not be the case. Even though the current DG is chair of the Trade Negotiations Committee, his position should be confined to facilitating negotiations between members, not directing negotiations at his discretion.

6) Keep the Developing Country Coalitions Together
Civil society groups should rally behind the coalitions that exist as a political counter-weight to the US-EU alliance. The bullying of individual countries should be made public. At the national level, groups on the ground should support and even put pressure on their governments to play an active role in these coalitions. This is necessary given the concerted and explicit maneuvers by the US and EU to break the G-20 as well as the Alliance/G-70 (ACP, African Union and LDCs). In Brazil for example, splits have been detected between the Ministry of Agriculture and the Ministry of Foreign Affairs, with the Agriculture Minister accusing Foreign Minister Celso Amorin, who led the G-20 in Cancun, of lining up with countries like India which is perceived as wanting to protect its agricultural sector.

How strongly the G-20 and Alliance hold together will be the determining factor of the outcome of the Hong Kong Ministerial.

7) Medium to Long Term: Towards More Equitable Trading Arrangements
In the long term, civil society groups should look toward alternatives beyond the WTO and the current bilateral free trade agreements, both of which are based on putting corporate interests before people or development. The trading arrangements of the future - perhaps built more upon South-South cooperation and partnerships with others of more equal political standing — should put people and ecology as the central concerns.

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DEVELOPING COUNTRIES BEING PUSHED TOWARDS “FLEXIBILITY”

By Aileen Kwa

“There have been clear signals from all sides of their willingness to support a reinforced multilateral trading system and to engage and show the necessary flexibility in order to get the process which was derailed in Cancun, back on track... I will be testing your commitment and your flexibility in order to ascertain the possibilities for reaching common ground.” Perez del Castillo, Chair of the General Council, Ambassador of Uruguay to the WTO, 18 November 2003, Geneva.

“The Chair is trying to force a consensus upon us.” Asian delegate to the WTO, 14 November 2003, Geneva.

Mr. Perez del Castillo, Uruguay’s Ambassador and currently the WTO’s Chair of the General Council is making himself rather unpopular in Geneva these days. Even as the major players – the US and EC – have stalled in the negotiations and are not forthcoming on their positions, del Castillo is pushing for developing countries to show “flexibility”.

This is causing resentment among the Geneva diplomats. Many feel that he is acting as the stooge of the US and EU, as well as overstepping his mandate. This is disappointing, given del Castillo’s previous life in UNCTAD and the active role he played as a champion of developing countries in international trade issues. His Chairmanship of the General Council will terminate by February 2004 and the corridor talk in Geneva is that he is slated then to return to Uruguay as Foreign Minister.

CHAIR’S ACCOUNTABILITY IN QUESTION: PLAIN DISHONESTY?

Del Castillo’s consultations in Geneva have been marked by a glaring lack of inclusiveness. The main consultations are held amongst only 30 countries. Whilst he includes the representatives of the various groupings and alliances in his consultations, the fact remains that members in the WTO have not ceded their negotiating rights to their group co-coordinators.

Even more problematic are the conclusions that he comes to at the end of the consultations. Some negotiators in Geneva have said that these do not tally with their impression of what was said in the consultations.

For example, in summing up his first round of consultations to the entire Membership on 18 November, del Castillo noted that in the area of cotton, “The majority of Members would like this issue to be integrated in the overall agriculture negotiations, although they are willing to give cotton special attention.”

He went on to say that, basically, it was only the proponents of the cotton initiative (that is, Benin, Chad, Mali and Burkino Faso) which were still in favour of keeping cotton negotiations as a stand alone issue.

According to a developing country negotiator who was involved in the 30-member cotton consultation, developing countries were all supportive of the West Africans on the issue of keeping cotton separate. "What he said in the beginning of the consultation, he repeated at the end. He was just not listening. Unless I was totally drunk, the only developing country I heard in consultation which said that cotton should be taken up in agriculture was Mexico."

This seeming 'deafness' is alarming, given that del Castillo looks bent on coming up with some decisions to be agreed upon by 15 December. What he writes in the text will presumably be used as the launching pad for further negotiations in 2004.

Of course, one could argue that if developing countries did not like the text, they could always object. That is true in the ideal case. However, being politically weaker, even the big developing countries carefully and tactically pick their fights. As another negotiator commented recently: "If you indicate all the failings of the Chair's statements, you would have, in the newspapers the next day, that the Chair is getting the negotiations back on track, the developed countries are helping, and again, some developing countries are spoiling the party."

DEL CASTILLO'S CURRENT GAME PLAN: SIDELINING DEVELOPING COUNTRIES' INTERESTS

In the same informal Heads of Delegations Meeting on 18 November, del Castillo gave an outline of the direction he is taking the consultations, as well as a summary of his impressions.

His objective, by 15 December, is to complete the work that Ministers were unable to achieve in Cancun. That is, reaching agreement on frameworks on Agriculture and NAMA (non-agriculture market access negotiations), taking decisions with regard to the Singapore issues and developing the elements that would give a meaningful sense of direction to the negotiations on cotton.

Of course, no one believes that all this work will be completed by then. However, what is worrying are the parameters he is setting for next year's negotiations, which could severely limit, or even make impossible, developing countries' ability to achieve a fair outcome in the negotiations to come.

AGRICULTURE

In line with the wishes of the US and EU, in the meeting del Castillo made two main points. According to his perception:

1. There is wide acceptance of the notion of working towards a framework for the modalities of the negotiations, leaving agreement on these modalities for a subsequent phase

2. He had held preliminary discussions and consultations on the 'positive features and elements that emerged in Cancun and were reflected in the Derbez text, and which many Members feel we should try to preserve and build upon in future negotiations.'

There are, in fact, real misgivings amongst developing countries about such an approach. The current proposed framework agreement gives no numbers yet will bind developing countries to a very ambitious tariff reduction formula. The same formula, implemented by developed countries which have a very different tariff structure, will commit them to almost no market access liberalization, unless very extreme numbers are agreed upon in the next phase of modalities negotiations for developed countries – which is an unlikely scenario. (For example, for the Swiss formula, using a coefficient of 25 for developing countries and 500 for developed countries would be unlikely, but such a figure would be necessary if the effect of liberalization by the US/EU were to be attained). Also worrying is that it leaves the extent of subsidy reduction conveniently vague for US/EU purposes.

Many developing countries know that with such an approach, they are being asked to make commitments in the dark. As one delegate has commented in the agriculture consultations, "Since we are giving away gold, we need to know whether we are getting salt or gold in return."

NON-AGRICULTURE MARKET ACCESS (NAMA)

In the area of NAMA, del Castillo again said, "my sense is that we could build on the Rev.2 [the Cancun Derbez] text in this area." He added, "although this text as it stands does not seem to be acceptable to all delegations, I believe that there is widespread recognition among Members that its structure and key elements ... must be preserved."

Here again, Rev.2 is a US/EU preferred text. The key areas which developing countries have voiced concern about, which Castillo also pointed out, are

1. Non-linear tariff reduction formula. That is, high tariffs have to be reduced by larger amounts. This means that developing countries which generally have higher tariffs than developed countries will have to undertake more liberalization.

2. Sectoral approach. This refers to the elimination of tariffs by all Members in key sectors. The majority of developing countries are not in favour of having such an approach to the negotiations. They argue that this was

not in the Doha mandate and goes beyond what they had agreed to. In previous drafts of the declaration, textiles, apparel and footwear had been mentioned as possible sectors to be liberalized under this approach.

In NAMA, Castillo seems to be pushing talks in a dangerous direction by concluding that there should be a linkage between the non-linear formula and the sectoral approach. According to him, “there is a recognition of the linkage between the two proposals and that a forward movement in one may entail a movement backward in the other.”

Meanwhile, developing countries had not even agreed to a sectoral approach in the negotiations.

Also according to del Castillo, “a large number also recognized that the real issues in these paragraphs would have to be solved after the ‘framework’ phase.”

Like agriculture, this is equivalent to asking developing countries to sign a blank cheque that they bind themselves to a liberalization regime, without knowing what they are getting into.

SINGAPORE ISSUES

Again in this area, Castillo is imposing an EC/US agenda on the negotiations. His key question to members on the Singapore issues has been “Would you be willing or prepared to contemplate, in the event of course that your interests are taken into account in other negotiating areas of importance to you, a possible 2+ 2 outcome as a compromise regarding the Singapore issues?”

That is, launching negotiations on Trade Facilitation and Transparency in Government Procurement and referring Investment and Competition back to the working groups. The working groups however would explore the ‘opt in/opt out’ or ‘plurilateral approaches’ ‘or other modalities for eventual negotiations’.

Castillo acknowledges that there is no agreement in some quarters, commenting that “There were also worrisome indications that some Members have not moved at all on these issues from their pre-Cancun positions and it is not clear what they are willing to do to contribute to the process moving forward.”

In response to Castillo’s question, one African ambassador remarked on the side:

“But how can we say what we can accept if we have no indication whether in the first place, our interests would be taken into account in the other areas? ... These big countries are not moving. In agriculture, they refuse to talk about percentage decrease in subsidies. And they refuse to talk about an end date for phasing out export subsidies. They are not taking us seriously.”

Pre-Cancun, developing countries said that they needed to see substantive modalities before they make the deci-

sion whether or not to negotiate the new issues. Del Castillo seems to be asking for commitment to commence negotiations without dealing with what these modalities may be. This is dangerous since the modalities negotiations, when started, could spiral beyond developing countries’ control (for example, TRIPS started off as an attempt to address counterfeit goods but ended up as a monstrous comprehensive intellectual property agreement).

COTTON

Here again, the Chair is leading talks in the direction desired by the US, which is to incorporate the cotton issue into the general agriculture negotiations, and hence not deal with it. The current loopholes in the agriculture negotiations would easily allow these cotton subsidies to continue.

Furthermore, instead of talking about compensation, which the West African governments have asked for (only \$250 million a year if US continues its \$3.6 billion in cotton subsidies a year, and this amount to be decreased in proportion to US’ decreased subsidies) del Castillo sidetracks their demands and talks about building on financial and technical assistance from the World Bank and IMF (that is, getting these countries into further debt) and the extension of the Integrated Framework.

DEVELOPING COUNTRIES’ RESPONSES

In response to del Castillo’s statement on 18 November, India highlighted the issue of food security and rural development, unresolved issues relating to NAMA, the fact that there is no clarity regarding the Singapore issues, and the need to put development issues back at the centre stage of the work programme.

Indonesia raised questions regarding the NAMA negotiations, particularly the non-linear formula and sectoral approach. Interestingly, they also pointed to the problematic process, stating that the consultations carried out need to be inclusive, not only transparent.

Benin, representing the West African countries that had put the cotton initiative on the table, reiterated their desire to keep cotton as a stand-alone issue apart from agriculture.

Cuba intervened to support Benin.

ROLE OF THE CHAIR SHOULD BE QUESTIONED

Since the majority of consultations in the WTO are closed door, informal and unrecorded, the Chairperson, as del Castillo has done, can come out of the various consultations giving his own interpretation of the general view of the Membership. There are absolutely no checks and balances or accountability in these negotiations.

Developing country members may not agree with the Chair’s conclusions, nor with the text he may produce before 15 December. Yet in the face of fierce accusations

that Cancun's collapse was their doing, developing countries' ability to reject a biased Chairman's text, or even some limited damage control, will depend on whether their coalitions, under vicious attack by the majors, can hold together.

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CHARITY IN NAME OF SCIENCE

By Devinder Sharma*

The ongoing attempt to harmonise and strengthen the intellectual property protection regimes worldwide, as part of the Trade-Related Intellectual Property Rights (TRIPs) Agreement, is choking the knowledge spillovers from the industrialized to the developing countries by way of benefit sharing and adversely affecting technology transfer.

With the intellectual property rights (IPR) control tightening, and with the private companies seeking control and monopoly over genes and cell lines, the world is fast moving into an era of scientific apartheid against the Third World. Knowing that TRIPs is an evil force, and refusing to stand up and call for some radical changes in the injudicious agreement, the international scientific community has now come up with the idea of setting up yet another charity – this time for intellectual property. Public Sector Intellectual Property Resource for Agriculture (PIPRA) is an initiative being floated by some scientific institutions and with support from the Rockefeller Foundation and the McKnight Foundation, in the United States. The objective is “to explore the feasibility of assembling key complementary agricultural technologies that might help the public sector research.” In simple terms, it is aimed at ensuring that the private companies efforts to stall the march of genetic engineering through a stricter patenting regime, already faced with increasing public resistance in the developed countries, does not block efforts to push the unwanted technology on the developing countries.

Ironically, the US itself that has been on the forefront of first misappropriating plant, animal and human genetic resources and then drawing strict intellectual property control. Instead of nipping the evil in the bud, the PIPRA effort merely provides a human face for the US's effort to monopolize what was known traditionally and freely available. It certainly is not aimed at minimizing the threat biotechnology patents pose to research in future, neither is it concerned at the Third World's claims over biopiracy that the American universities and institutes have indulged in with impunity.

Aggressive protection to new inventions, including technological processes, by the western universities and research institutions has already marred future prospects for any meaningful technological growth in the majority world. Take the case of the controversial 'golden rice'. Some 16 patents and 71 potential intellectual property barriers had come in the way of its development. This is not to say that a potential technology ('golden rice' is merely a public relations showcase for the biotechnology industry) has any useful advantage for the developing countries, but it surely amplifies the threat that exists in blocking public sector research and development in the developed as well as the developing countries.

PATENTS AND MONOPOLIES

More recently, and at a time when the WTO's TRIPs Council is still engaged in reviewing Article 27.3 (b) of the TRIPs Agreement dealing with biological materials, traditional knowledge and folklore, the European Patent Office in May 2003 upheld a controversial patent granted to Agracetus (subsequently bought by the multinational giant Monsanto) for a particle bombardment (biolistic) method of transforming soybeans. In simple words, this broad-spectrum patent grants Monsanto exclusive control over all genetically modified (GM) varieties of soybean. The patent also covers all other plants that use the same GM technology for crop improvement

Seed multinationals Syngenta and De Kalb also opposed the patent because it provides Monsanto with a monopoly control over a commonly used scientific process. Interestingly, before acquiring Agracetus, Monsanto too had opposed the same patent. Such broad patents are a grave impediment to developing country scientists accessing new crop technologies as well as breeding new crop varieties using the frontiers of new technology. The Rockefeller Foundation, which supports the PIPRA initiative, has never challenged or launched collaborative efforts that expose such absurd patents and for obvious reasons. Nor has the international scientific community, despite their loud claims of technologies for the poor, ever challenged such unscientific patents.

A few weeks later, the EPO granted another patent to Monsanto (EP # 445 929) allowing monopoly rights over traditional characteristics of an Indian wheat Nap-Hal. All that Monsanto had done was to cross Nap-Hal, a traditional durum wheat cultivar, with another wheat variety to develop an improved variety with "special baking qualities". The patent covers biscuits and dough produced from this wheat, as well as the plants themselves. Monsanto's wheat patent extends to the European Union in addition to Japan, Canada and Australia where the company sees its maximum commercial utility. The wheat germplasm – Nap Hal landrace – was procured from a UK-based gene bank, and thus raises questions about the relevance of the laws on access and equitable benefit sharing.

Monsanto has only used the existing traditional knowledge to breed an improved variety and thereby block any further use and application of the Indian wheat landrace. Although, India's unique sui generis legislation — the Protection of Plant Varieties and Farmers Rights Act 2001, does recognize the rights of farmers and communities in respect of their contribution in conserving, improving and making available plant genetic resources for the development of new plant varieties, it remains helpless when a patent is granted outside the country. National systems cannot by themselves protect traditional knowledge. Will PIPRA ever talk of raising these concerns that can bring true benefits to the developing countries in the long-run?

HOODWINKING SCIENTISTS

It is therefore apparent that the PIPRA initiative is yet another effort to hoodwink the scientific community in the developing countries to believe that all is not yet lost. A few IP crumbs can sustain the operations in the scientific laboratories in the South. This initiative also comes at a time when the scientific institutions in the developing countries, especially after the collapse of the Cancun WTO Ministerial, have begun to question the relevance of the TRIPs Agreement that will end up rendering them more or less jobless.

Earlier too, a similar initiative — International Service for the Acquisition of Agri-biotech Applications (ISAAA) – was launched with the pious objective of "contributing to poverty alleviation, by increasing crop productivity and income generation, particularly for resource-poor farmers, and to bring about a safer environment and more sustainable agricultural development." While nothing like this happened, ISAAA has ended up as a mouthpiece for the biotechnology industry. If the humanitarian intentions are for poverty alleviation, scientists will have to make a sincere effort to look for time-tested technologies that the small and marginal farmers have been using all these years. The need is to improve these technologies, and reduce the dependence on external inputs.

PIPRA is merely a charity in the name of poor and food security. The future of science and technology in developing world is not linked to such charity efforts. What the developing countries need is a system that allows free sharing of knowledge (much of it in anyway coming from the Third World) rather than privatizing and monopolizing what was known to be in the public good.

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THEY FEED THE WORLD, BUT THEIR CHILDREN GO HUNGRY

By Marni Pigott and Luc Demaret*

Today, the number of people working in agriculture is put at more than 1.3 billion. They make up half of the world's active population. They feed the world, but what is their fate? Unenviable, according to a whole series of first-hand accounts at the symposium on decent work in agriculture, held recently under the auspices of the International Labour Organization in Geneva.

"If she hasn't finished her work quota, she'll have to carry on the next day, and that's when she'll get her 'day's' wage, because she's paid by the job. If everything goes well, she will earn the equivalent of 35 US dollars (32 Euro) in a month. The overseers are all men and wage blackmail is part of the arsenal of sexual harassment. In the tea plantations, most of the children living with their mothers don't know their biological fathers. Ironically, the employers are reluctant from the outset to recruit women who have family responsibilities, and pregnancy tests are common practice before hiring."

Accounts like this one from Phillipina Moshia, a trade unionist in the tea plantations of Tanzania, featured strongly in the four-day colloquium on decent work in agriculture held in Geneva last month by the ILO Bureau for Workers' Activities. Moshia's Zimbabwean colleague, Gertrude Hambira, described the tense situation in her country, where the agricultural workers' unions are right in the firing line. "The so-called agrarian reform promoted by the government has led to a state of war on the farms, where the new owners have installed a reign of terror. The agricultural sector used to employ half of the active population, but most of the labourers have been fired and have had to leave the places where they lived. Those who oppose this 'revolution' are regarded as enemies. They are hunted like animals."

600 TRADE UNIONISTS MURDERED

In Colombia, the agricultural workers' union (SINTRAINAGRO) has lost 600 of its members since 1980. All murdered. Five days before setting off to testify in Geneva, Guillermo Rivero Zapata was informed by the authorities that the protective measures laid on for him had been withdrawn. "They are depriving me of protection to make me stop organizing workers," Rivero told the ILO meeting. But he is more determined than ever to press on with his fight. It is a never-ending struggle. In Colombia, as in many other developing countries, the number of impoverished people in the rural sector has soared in recent years. Between 1994 and 2000, the proportion of the agricultural labour force living in poverty rose from 65 to 80 per cent. In the course of five years, wages went down by 15 per cent. Elsewhere in Latin America, a delegate reported, there is hard evidence that

women are given injections to make them sterile throughout the harvest. To complete this world overview, delegates from Asia and Europe gave equally disturbing accounts.

WOMEN TARGETED

For instance, according to a report distributed at the symposium, the extent of child labour and discrimination against women (who now make up half of the labour force there) are major concerns in Asia's agricultural sector. The proportion of the active population engaged in the sector ranges from 80 per cent in Bangladesh to 14 per cent in Malaysia. Significantly, everywhere the slice of national income generated by agriculture is smaller than the proportion of the labour force engaged in it. The effects of weak incomes are reinforced by highly unjust distribution systems, explained A. Navamukundam, National Secretary of the Malaysian plantation workers' union. "Distortions" in the agricultural market were meat and drink to the negotiators and journalists in Cancun (Mexico) where, just a few days before the ILO symposium, hopes of a new multilateral agreement for the sector were buried. But the selfsame distortions were cited in Geneva by those speaking for the men and women who toil on the land.

AFTER CUNCUN

Disappointed by the failure of Cancun, the symposium participants called for a multilateral agreement that pays attention to the fate of small farmers and agricultural workers, particularly in export-dependent countries which see themselves being elbowed out by subsidized agriculture in the North. Guillaume Attigbe (Benin), a worker member of the ILO Governing Body, has taken up the cudgels on behalf of the ten million African workers whose earnings from the cotton they produce are threatened by American or European cotton. This is subsidized and is therefore substantially cheaper on the international markets.

"The American and European subsidies on agricultural exports to the countries of the South are tantamount to handing out two dollars per day for every cow in the industrialized countries, while the agricultural workers in the South sometimes have to live on less than one dollar!" protested Leroy Trotman (Barbados), the workers' spokesperson at the ILO. He called on the ILO to launch an urgent programme on decent work in agriculture and, as the representative of the World Confederation of Labour also requested, to get a say for the ILO within world trade talks, on the same basis as the WTO, the World Bank and the International Monetary Fund. Nor are the transition countries spared by the inconsistencies of world trade. In Russia, a delegate noted, New Zealand butter is cheaper than the local product and pork from Denmark seems to have pushed home-grown meat off the slab. The result, said the union representative, is "an exchange: the industrialized countries send us cheaper produce, and we send them our migrants." Once Eastern Europe's granary, Ukraine recently lost 5 million jobs during the transition. The unemployment rate has

seen a 29-fold increase. Wages in the towns are hovering on the poverty line. In the countryside, they are three times lower.

As ILO Director-General Juan Somavia told the workers' symposium, "those who produce the world's food often don't earn enough to put a meal on the family table. They form the majority of the people known as the working poor."

If the international community is serious about fighting and eradicating poverty, or even about halving it by 2015, then the rural sector must become a priority. "We must fight for jobs, sustainable incomes and activities that produce such incomes. This is about promoting real opportunities, not charity," Somavia insisted.

But how did things get into this state? Somavia, who heads the only tripartite UN agency, feels that "the present globalization model treats labour as a commodity. But it isn't a commodity. This model is unjust and it won't solve the problems." His views are shared by Michael Sebastian, acting Director of the ILO Bureau for Workers' Activities. "Decent work is dependent on the means for fulfilling the objectives embodied in ILO core labour standards. When the means are frustrated through trends in international trade, then it is obvious that decent work as a goal will be unattainable", said Michael Sebastian, pointing to the inequalities in ownership, in control of technology in capital and markets access as key problems facing agriculture. "These problems are often compounded by unfair trade practices", he added.

Unfairness was also denounced by Ron Oswald, General Secretary of the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations (IUF). The IUF is the world's biggest organization of workers in agriculture, a notoriously difficult sector to unionize. "It is a fact that the companies' growing control over the sector is one of the main factors contributing to the many decent work deficits in agriculture, Oswald noted. He regards the currently dominant agricultural structures as "a system which favours production models that are not socially, economically or environmentally sustainable."

PRODUCTION MONOPOLY

The working paper for the symposium shows just how far the transnational corporations control the global food system as well as food and agriculture policies worldwide. For example, it demonstrates that the ten biggest companies in agriculture control about 80 per cent of a world market valued at 32 billion dollars. Just two companies distribute more than 80 per cent of the world's cereals. Five firms control three-quarters of the banana trade. Three enterprises preside over four-fifths of the trade in cocoa and three others control the same share of tea trading. The world's five big coffee roasters have a combined turnover of one billion dollars, and they run half of the planet's coffee production.

But while the companies' profits are rising, the prices paid to the producers are continually falling. ILO agricultural expert Ann Herbert points up the contrasts. "While a kilo of arabica coffee fetched 4 US dollars for the producers in 1970, today it earns them \$1.42. A peasant farmer gets \$0.14 dollars per kilo of instant coffee, which sells at \$26 in the supermarkets." The drop in commodity prices has, of course, hit agricultural wages even harder, as well as the living and working conditions of farm labourers.

Ricardo Yaque started working in Uruguay's citrus groves in 1996. Soon, he was helping to organize and resurrect the rural workers' union Sudora. An apt name. Sudor is the Spanish word for sweat. The union is based around the port town of Salto on the River Uruguay. Yaque even managed to organize the plantations owned by the Caputto family - a real feat, say his local colleagues. In Geneva, he spoke out for the plantation workers whom he now represents as Sudora's General Secretary. He has not forgotten the state of things back in the groves, though. The special shirt that you have to wear when picking oranges and that you fill up with 60 to 70 kilos of fruit which you then have to carry, at a run so as not to waste time, to the people at the far side of the field who buy the oranges after weighing them. "We're paid by the kilo. The work is physically exhausting and most pickers are so worn out that they have to give up at the age of 45 or 50, which is too early to draw a pension". He also speaks of the anti-union repression that marks the sector.

UNION FREEDOM LACKING

The lack of trade union freedom causes many problems for workers in this sector, the symposium participants emphasized. In many Latin American countries, says Maria Moya Hinojosa, from the Chilean Peasants' Federation, most of the subcontractors who recruit workers carefully screen out those who are unionized. Blacklists of "social agitators" are exchanged. A survey organized just before the symposium by the ILO Bureau for Workers' Activities (ACTRAV) is illuminating: 52 per cent of workers' organizations in some 35 countries state that their officers or members have been harassed. Job blackmail is commonplace. So are dismissals. Discrimination against union activists is flagrant, and the authorities sometimes follow suit: 16 per cent of the organizations polled mentioned arrests of trade unionists. Labour leaders have been assassinated in Colombia (the tragic world record-holder for murders of trade unionists), in Bolivia and in Brazil, where a report from the International Confederation of Free Trade Unions (ICFTU) notes the killing of 1 588 rural workers and 71 peasant trade unionists between 1988 and 2002. In 2002, 16 rural workers were murdered and 73 union activists received threats. In most cases, official investigations of these crimes are at best slow-moving. At worst, they are thrown out of court. In 2002, around a hundred Brazilian military police officers, accused of involvement in the massacre of 19 peasants in Eldorado dos Carjús in 1996, were ultimately all acquitted.

SOCIAL DIALOGUE - AN INVESTMENT

“What governments and companies must understand is that when trade union freedom is denied, the nation is impoverished, because it has to do without its most valuable resource for development, namely the ability of men and women to engage in productive tripartite dialogue in order to find peaceful solutions to the economic and social problems facing them.” These words from the ILO Director-General went down well with the assembled trade unionists, but also with representatives of international organizations, UN agencies, financial institutions and even employers.

There were few employers at the symposium, which was aimed mainly at trade unionists, but George Jaksch, representing the multinational Chiquita as a guest speaker in the debate on social dialogue, did not take issue with the Director-General’s remarks. “We can’t envisage a profitable business that does not have a good reputation on human rights,” Jaksch declared. “Good social relations have a direct effect on a company’s profitability and sustainability.” Chiquita was not invited at random. The multinational employs more than 20 000 people, mainly in Latin America. Many of them are union members. Since 1998, Chiquita has been embarked on a “corporate social responsibility” drive. The concept has not yet banished all of the unions’ doubts, but it enabled the IUF to open up a breach in the banana sector, as it led the IUF and Chiquita to sign the first-ever global framework agreement in the banana business. In the agreement, Chiquita undertakes to respect eight basic ILO standards on trade union freedom, the right to collective bargaining, non-use of child labour and forced labour, non-discrimination in employment and occupation, and equal remuneration. It also acknowledges its responsibilities on occupational health and safety and, in cooperation with its trade union partners (as well as the IUF, the Latin American banana plantation workers’ union coordinating body COLSIBA signed the agreement), it commits itself to promote better working conditions.

And none too soon. Sadly, agriculture holds the world record for deaths due to accidents at work: 170 000 per year. As the symposium working paper points out, increased agricultural productivity, faster work rates and technological developments have a strong impact on agricultural workers’ health and safety. Pesticide poisoning has become a serious occupational hazard. The World Health Organization puts the total number of cases at between 2 and 5 million per year, of which 40 000 prove fatal. This was obviously a major topic at the ILO symposium. And there was open astonishment when Swedish trade unionist Sven-Erik Pettersson mentioned the possibility that paraquat, a powerful pesticide, might be taken off the European Union’s list of banned products. Pettersson’s call for a trade union campaign to maintain the ban was certainly well noted in Geneva. “There is no such thing as a safe pesticide,” insisted Malaysian delegate Navamukundam.

Health and safety in agriculture is a priority topic for the ILO. Adopted in 2002, an international Convention on this issue came into force in September 2003. Convention 184 has so far been ratified by three countries. Amongst other things, it permits workers to refuse a task if they consider that it could damage their health. During the symposium, and in their adopted conclusions, the union representatives emphasized the basic link between Convention 184 and the ILO Convention on the worst forms of child labour (No. 182), adopted two years earlier. As the working paper stresses, the fight against child labour in agriculture should include promotion of Convention 184. Article 16 of that standard sets a minimum age of 18 for work which, by its nature and the conditions under which it is performed, constitutes a threat to the safety and health of adolescents. And child labour, most often in its “worst forms”, is endemic in agriculture. In fact, each year 12 000 youngsters die on the land. Nor, of course, does the exploitative situation faced by more and more women leave their children unaffected.

FEMINIZATION, INSECURE JOBS, MIGRATION

Feminization of the workforce and dwindling employment security, with fewer and fewer permanent jobs and increasing use of occasional and temporary labourers, are the hallmarks of today’s agriculture. So is the exploitation of migrant labour, and all the abuse and discrimination that go with it. This is of concern to agricultural unions in North and South alike. Everywhere, they are trying to rein in hordes of increasingly unscrupulous middlemen who, in some countries, look very much like mafias. Poverty wages, atrocious working conditions and downward pressure on the terms of collective agreements negotiated by the unions are all part of the immigrant workers’ fate. They embody the whole decent work deficit in agriculture.

EVERYBODY’S BUSINESS

Agricultural workers’ lot is the concern of the union organizations which drew up a real campaign plan in Geneva, but of course it also concerns the employers and governments, who should facilitate and promote the emergence of true social dialogue based on trade union freedom. In fact, it is everybody’s business. For instance, lower profit margins, right the way down the chain of those who share out the fruits of the labourers’ toil, would mean that peasants and their families could also eat their fill.

* This article was distributed through a list managed by Amber McNair of the University of Toronto and Wayne Roberts of the Toronto Food Policy Council, in partnership with the Community Food Security Coalition, World Hunger Year, and International Partners for Sustainable Agriculture. Contact: foodnews@ca.inter.net