

Derailers' Guide to the WTO and Free Trade Regime

2.0



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Introduction

In November 2005, amidst preparations for heightening campaigns and actions across the globe in the lead up to the Hong Kong Ministerial Meeting of the World Trade Organization (WTO), Focus on the Global South published a little campaign handbook called the *Derailer's Guide to the WTO*.

The guide was put together to help campaigners navigate the intricacies of proposed trade agreements and discuss the key issues underlying negotiations in the main areas of agriculture, non-agricultural market access (NAMA), and services. Cutting through the technical jargon and 'trade speak', we examined how these talks would affect people's lives and livelihoods and the pursuit of equitable development.

The guide also dissected the political dynamics among the country groupings to help the readers understand the positions being taken and whose interests were driving the negotiations.

Even then, while considerable attention was given to the negotiations inside the WTO, there was already a strong anti-WTO position among civil society campaigners and activists. To derail the WTO, as the guide clarified, "is an active strategy to shut down the WTO by preventing consensus in its negotiations," because the "decision by consensus" was, as Walden Bello had described it, WTO's '*Achilles heel*'. The agenda was never to reform the WTO (see the article *Why One Cannot Turn the WTO Around*, p.3).

The target of the actions in 2005 was the Hong Kong Ministerial which took place in December

that year. Hong Kong is still remembered today, especially among Asian movements, as a milestone in social movement actions against free trade and corporate globalization. "Down Down WTO" became the rallying cry of thousands of activists who marched on the streets of Wan Chai during the 17th December people's march.

Despite the protests, however, the high level government meeting produced the Hong Kong Ministerial Declaration which represented a collective reaffirmation of faith in the multilateral trading system by governments and charted the direction for continuing the Doha talks.

The momentum achieved in Hong Kong however was not sustained for long. The disagreements within countries intensified and the talks have since been in a state of perpetual stalemate. That the WTO negotiations have 'collapsed' has become a common view.

Since Hong Kong, the succeeding meetings have been moved to Geneva, the WTO's home turf, as a better way to direct the talks, and perhaps insulate them from noisy protests. When the so-called mini-ministerial in Geneva in 2008 collapsed, many free trade partisans were ready to throw in the towel on the Doha round, and there were serious doubts on the credibility of the WTO itself.

To shore up credibility, several attempts have since been made to revive the talks and steer the Doha round to conclusion. In 2009, then WTO Director General Lamy harped on the "stabilizing role of the WTO amid

economic crisis." In 2011, sensing political momentum for charting a new way forward towards conclusion of the Doha round, the Chair of the Conference Nigerian Trade and Investment Minister Olusegun Aganga issued the outcome document *Elements for Political Guidance* which would be a yardstick of the WTO's political agenda in the lead up to Bali 2013. The agenda zeroed in on the need to conclude a provisional agreement or definitive agreements in certain areas ahead of the full conclusion of the single undertaking. It also focused on the need to explore new negotiating approaches. (See *Doha Scorecard: From Hong Kong to Bali, p.11*)

A central part of the agenda now being pushed by the United States is to bring to the WTO the high standards of liberalization particularly in the areas of intellectual property rights and investments, which have been established under so-called 'New Generation FTAs'. (See *The Second Front, p.31*)

From 3-6 December 2013, the 9th Ministerial Conference (MC9) of the WTO will be held in Bali, Indonesia. The Bali Ministerial will be the first time in eight years since Hong Kong that the conference will be held outside Geneva. The Bali Ministerial is significant for a number of reasons. First, it aims to conclude the Bali Package or early harvest package of agreements on a number of key proposals (see *Early Harvest, p.15*). An early harvest

agreement in Bali can breathe new life to the dying Doha talks, or it can set it aside permanently in order to pave the way for new, more ambitious talks. Second, Bali is envisioned as a key moment for pushing even higher standards of liberalization in the name of making the WTO a 21st century institution.

When the first edition of the Guide was published in 2005, the resistance to the WTO was still at a very high note. Across the globe, the efforts of various sectors and groups converged around campaign platforms and coalitions that spearheaded actions and mobilizations against the WTO. The guide was intended then to contribute towards strengthening these campaigns by putting forward suggestions for concrete actions at the local, national, and global levels. Over the years however, the attention and energies of movements have shifted away from the WTO and towards more urgent concerns like the bilateral trade and investment agreements that have surged over the years, and other pressing global concerns like climate change.

As we come closer to the Bali Ministerial in December, there is a need to re-energize the campaign on the WTO and its free trade agenda. We need to consolidate our efforts in order to prevent an agreement in Bali and push back the agenda to strengthen the WTO beyond Bali.

A Tree Born Crooked Will Never Straighten Its Trunk: Why One Cannot Turn the WTO Around

Since its establishment, there has always been a debate about the WTO amongst civil society organizations. Some saw it possible to reform the WTO and others saw no redeeming factor in it and wanted it dismantled. In a way, the slogan "WTO: Shrink or Sink" expressed the middle point in these two approaches. Now, after almost two decades of the WTO, the facts are clear.

Limits to trade

The WTO began with the promise that it would bring increased economic growth through "free trade." Today, it is clear that this promise was never possible as we cannot have endless economic growth in a finite planet. The planet's natural resources are nearly exhausted and there is a total disturbance in the vital cycles of the Earth System that threatens to turn into an environmental domino effect with unpredictable consequences. The increase in economic growth benefited only the corporations and did not bring the promised "development" to the poor. The rich are now richer while the poor are poorer. That free trade was going to deliver benefits to the poorest was simply a myth.

In reality, if poverty were really to be addressed and the poor alleviated, increased economic growth was and will never be the answer, but redistribution of wealth and redress of the inequalities worsened by the capitalist system. The irresponsible exploitation of the planet in the name of endless

growth has put us all on a suicidal path to destruction. If the goals of the WTO to grow trade forever were to be met, other planets have to burn to achieve this.

World trade for whom?

The real problem with the WTO and why it simply cannot be reformed is that, not only does it have a crooked trunk that will never grow straight, but also, and more importantly, its roots are founded on the principles of profit-making for corporations and not of benefiting humanity and nature.

In fact, after 18 years of existence, the WTO itself has come to recognize that global trade is concentrated among only few corporations.

"Is trade concentrated in the hands of a few global companies?" asks the WTO in its *World Trade Report 2013*. And the answer is: "The findings suggest that current trade is mainly driven by a few big trading firms across countries."

Derailers' Guide

The WTO report also says:

"From Table B.13, we can also see that exports are largely concentrated among a handful of exporters: 1 per cent of larger exporters contribute more than 80 per cent of total exports in the United States. In addition, the top 10 per cent of exporters account for more than 96 per cent of US exports (Bernard et al., 2009). For the European countries shown in the table, the average shares of the top 1 per cent and top 10 per cent of exporters are 50 per cent and 85 per cent, respectively (Mayer and Ottaviano, 2007). Developing countries show a similar pattern: on average, 81 per cent of exports are concentrated among the top five largest exporting firms (Cebeci et al., 2012)."

It is interesting to highlight that in the United States the share of the top one percent of exporters has increased between 1993 and 2002 from 78.2 percent to 80.9 percent, and that in the majority of developing countries only three to five companies hold more than 80 to 95 percent of exports.

What has happened is not a surprise: **Even supposedly fair rules in an unfair reality can only benefit those that have more power.** In an "open trade" or "free trade" regime, who can win—the sharks or the sardines? Even with "special and differential treatment" in favor of the sardines, the sharks will obviously win. The "superstar" corporations are the winners because their size, capital and monopolies give them the "comparative advantage" to win.

Table B. 13: Share of exports accounted for by the largest exporters (percentage)

| Country | Year | Top 1% | Top 5% | Top 10% |
|------------------------------|------|--------|--------|---------|
| United States | 1993 | 78.2 | 91.8 | 95.6 |
| | 2002 | 80.9 | 93 | 96.3 |
| European Countries | | | | |
| Belgium | 2003 | 48 | 73 | 84 |
| France | 2003 | 44 | 73 | 84 |
| Germany | 2003 | 59 | 81 | 90 |
| Hungary | 2003 | 77 | 91 | 96 |
| Italy | 2003 | 32 | 59 | 72 |
| Norway | 2003 | 53 | 81 | 91 |
| United Kingdom | 2003 | 42 | 69 | 80 |
| Developing Countries* | | | | |
| Brazil | 2009 | 56 | 82 | 98 |
| Mexico | 2009 | 67 | 90 | 99 |
| Bangladesh | 2009 | 22 | 52 | 90 |
| Turkey | 2009 | 56 | 78 | 96 |
| South Africa | 2009 | 75 | 90 | 99 |
| Egypt | 2009 | 49 | 76 | 96 |
| Iran | 2009 | 51 | 72 | 94 |

Sources: Bernard and Jensen (1995), Bernard et al. (2007), Mayer and Ottaviano (2007), Cebeci et al. (2012).

*For developing countries reported in the WBEDD, we report the exports share by the top 25% firms instead of top 10% firms due to data availability.



A new global Constitution for Transnational Corporations

The issue, however, goes deeper and becomes more disturbing. Through “free trade” rules in the WTO, the Free Trade Agreements (FTAs), and the Bilateral Investment Treaties (BITs), **we have been witnessing the writing and implementation in parts of a new global constitution for the benefit of Transnational Corporations.** The 60 agreements under the WTO go beyond the issues of trade in goods. They also deal with food, health, employment, water, energy, climate, land, justice, and almost all areas where sovereign states are normally supposed to govern. We see global trade rules trumping national sovereignty and forcing governments to comply and take away their policy space.

The main goal of this new constitution—with the WTO now the basis and the FTAs and BITs the advance battalions—is to further shrink the states and let the free market expand and decide what is best for almost all aspects of life.

The limits of a reformist approach

Now, if this is what the WTO is, can we reform the WTO? Is it possible to transform it into a new organization that instead of promoting competition for the benefit of a few “superstar” exporters will promote solidarity, complementarity with real implementation of asymmetric rules to benefit the most disadvantaged and takes care of nature?

Many civil society organizations have made proposals to change certain aspects of

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the WTO but in reality can these proposals transform the essence of the WTO? Some good proposals Focus on the Global South supports because they stop the expansion of the WTO, give more space for generic medicines, or subsidies to small farmers, etc., but in reality, can we change the substance of the WTO following this roadmap?

The most radical calls demand the cutting out of areas of the WTO such as agriculture, services, intellectual property, investments, and others. It is an attempt to go back to the GATT (General Agreement on Trade on Tariffs) that only deals with goods. This approach limits the impact of the cancer but doesn't extract the cancer. For example, many cases against climate initiatives are being stopped using the argument that they violate the "National Treatment" rule of the GATT that says that states have to treat no less favorable the foreign transnational companies vis-a-vis local producers.

In other words, can we limit our horizon to just resisting, conquering some flexibilities, trimming some issues and stopping the expansion of the WTO while the free trade agenda continues to advance through FTAs (that we also try to stop or limit), until sooner or later the WTO will revive its own negotiations taking as reference what has been developed in these FTAs?

Why we need to speak loud and clear

The WTO cannot be reformed or tweaked or turned around to serve the people and re-establish harmony with nature. The only

way to prioritize decent jobs, the right to food and the protection of nature will be to get rid of the WTO and dismantle the power of transnational corporations and the political-economic elites.

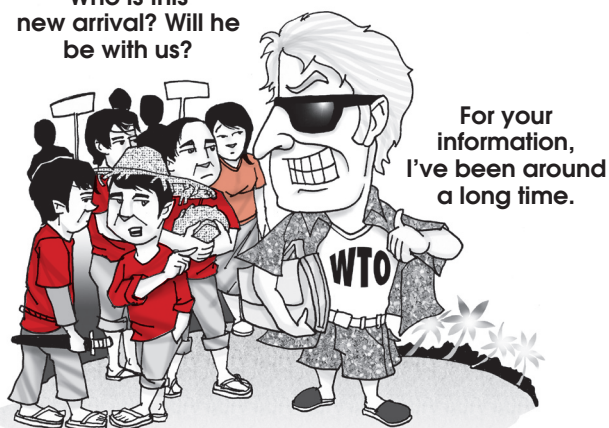
But while we fight this huge battle with this long term goal in sight, we also need to engage in the immediate battles to stop the expansion of the WTO and the free trade regime, and fight to open flexibilities and contradictions in those agreements, but not with the illusion of reforming the WTO or FTAs. The aim should be to open some gaps that can benefit the implementation of some policies (generic medicines, increased administered prices for peasants, etc.) and undermine from inside these agreements while we build a counterbalance of forces able to bring them down. We have to use all the inside and outside tactics available but without creating confusion in relation to our overall strategic goal.

We are never going to dismantle this free trade regime with negotiation tactics. Inside strategic tactics can be very useful to stop sometimes one agreement, or to block a negotiation, or to change an article, but if we want to defeat the free trade regime or an institution like the WTO, we need to build a new balance of forces led by social movements. And to follow this pathway, we have to clearly say that the crooked tree of the WTO cannot be straightened, not now, not ever.

The debate is over. Reform is an illusion. If we want to have a future for the planet and humanity, we need to **END THE WTO!**

Some Facts About the WTO

Who is this new arrival? Will he be with us?



Is the WTO still around and alive?

- It has 159 members as of March 2013; 76 countries were original signatories to GATT-WTO in January 1995. China joined in 2001; Russia in 2012. The Lao People's Democratic Republic joined in February 2013.
- It still peddles its myths— its reason for existence and the supposed benefits it had promised to bring to humanity when it was established in 1995.

Non-discrimination - equal treatment of foreign and national companies

Reciprocity - Nations/governments will go through the same compromises

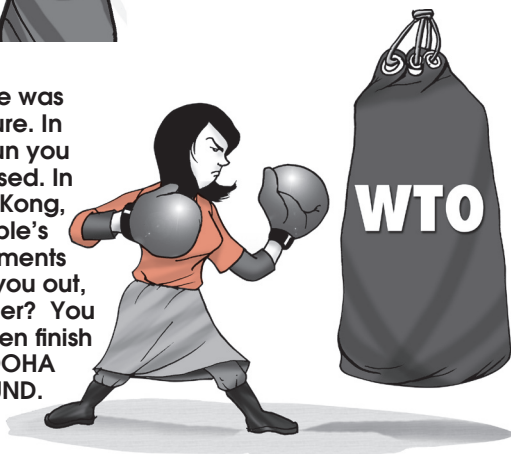
Transparency - Negotiation rules treat each one in fair and equal manner

Special and differential treatment - Promotion of "positive discrimination" because of historic unequal trade



But these 'fair' rules of 'open' trade have not really been fair: the winners have always been few large corporations from the developed countries, such as the U.S.

Seattle was a failure. In Cancun you collapsed. In Hong Kong, people's movements boxed you out, remember? You can't even finish the DOHA ROUND.



I can still do a turnaround. Look, I still have mechanisms to push forward global trade!

Tricks up the WTO's sleeves:

TRIPS - Trade-Related Aspects of Intellectual Property Rights: e.g. technological benefits for medicine research and production

GATS - General Agreement on Trades in Services: e.g. liberalize public domain

Dispute Settlement Mechanism - You can even sue corporations and governments at the WTO court!



But the truth is mostly the States were sued:

- 433** ongoing disputes of Investors against States in ICSID
- 95** ongoing suits against countries by investors
- 59** demands against States in 2012

WTO COLLAPSE

Seattle (1999) - due to the undemocratic decision making process and massive protests on the streets of Seattle.

Cancun (2003) - over the so-called new or Singapore issues of investment, competition policy, procurement and trade facilitation; protests in Cancun and around the globe.

Poorer countries wanted to tackle agricultural issues that impact them, e.g. European and U.S. subsidies on their own agriculture and lack of access to those markets vs. richer countries that wanted to introduce new issues that would benefit them. Instead, there was an IMPASSE.

Hong Kong (2005) - was called Doha Development Round as it aimed to favor poor countries; ironically inequality of global trade in favor of developed countries was further exposed. Lack of transparency in decision-making processes was also highlighted.

Geneva (2008) - collapse of the mini-ministerial meeting over a number of contentious issues including safeguards in agriculture.

No you can't stay!
WE SAY NO TO
WTO TURNAROUND!



But so far the 60 agreements under the WTO have benefited only transnational corporations, not peoples, not nature!

Transnational corporations have expanded control over the world's food, health/medicines, water, land and other resources.

The Doha Development Round: Deadlocked Between Rivalry and Survival

The Doha Development Round, also called the Doha Development Agenda (DDA), is the current trade-negotiation round of the WTO. It has now reached its 13th year since it started during the Fourth Ministerial-level meeting in Doha, Qatar in November 2001 with the objective of lowering trade barriers globally to help facilitate the increase of global trade. Succeeding ministerial meetings took place in Cancun, Mexico in 2003, and Hong Kong in 2005. Related negotiations took place in Paris, France (also in 2005), Potsdam, Germany in 2007, and Geneva, Switzerland in 2004, 2006, and 2008.

From the time when this round commenced in 2001, the negotiations have been characterized by persistent differences among the United States, the European Union, and developing countries on major issues, and have already suffered two breakdowns. The first one was during the Cancun Ministerial Meeting in September 2003, and the second in Potsdam in June 2007. Since 2008, the negotiations have been deadlocked due to differences in positions on major issues between members of developed countries led by the EU, the U.S., and Japan, and the developing countries represented by India, Brazil, China, South Korea and South Africa. The most pressing of these divisions are on agriculture, industrial tariffs and non-tariff barriers, and services and trade remedies.

The framework of the WTO favors rich countries as it systematically supports the interests of multinational corporations. The economies of

poor countries, which have less negotiating power against the big trading countries, normally have suffered from the damaging impacts of the current unfair trading system.

A development round that offers no development to the poor

The Doha Development Round was named as such to entice developing countries to participate in it. After feeling the impacts of the Uruguay Round, developing countries realized that they had collectively given away too much and relinquished their possibilities for development when they agreed to the content of the 500-page document that they signed in 1994. The Uruguay Round was the 8th Round of multilateral trade negotiations conducted under the framework of the General Agreement on Tariffs and Trade (GATT). It covered the period 1986 to 1994 and led to the creation of the WTO. Viewed as the largest negotiation of any kind in history, it carried a broad mandate to extend the GATT trade rules to areas that had been previously exempted and too difficult to liberalize such as agriculture and textiles, as well as new areas that were becoming increasingly important but not previously included such as trade in services, intellectual property, and investment policy trade distortions.

To alleviate the impacts of previous agreements, developing countries (including emerging economic powerhouses such

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as China, Brazil, and India) have been demanding the reduction of agriculture tariffs and subsidies among developed countries, non-reciprocal market access for manufacturing sectors, and protection for their services industries. The United States, the European Union, and other developed countries, on the other hand, want increased access to developing countries' industrial and services sectors while asserting to retain some measure of protection for their agricultural sectors. Since both sides have refused to resolve these differences, the WTO has so far failed to reach a comprehensive agreement.

Prior to the first collapse of the negotiation in Cancun, developed countries had pushed for another round of trade liberalization during the Third Ministerial of the WTO in Seattle in November 1999. Massive protests by farmers, workers, environmentalists, and anti-globalization movements combined with the

"rebellion" of developing countries against the increasingly frustrating negotiation resulted in a spectacular collapse of the talks that year¹. The historic global protest is now immortalized in the film "Battle in Seattle."

The year after, developing countries were subjected to tremendous pressure in Doha to agree to the launching of a new round in order to "save" the global economy. Much arm-twisting and threats of retaliation for "non-cooperation" in Seattle coupled with offers of massive aid packages to the "recalcitrant" developing countries took place. The notorious tactic of excluding most of the developing countries from decision-making was also at play. Many developing countries complained of secret meetings that were effectively confined to a select group of about 30 to 35 governments handpicked by the EU and U.S. This underhanded trade diplomacy resulted in the Doha Development



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Round, which many pointed out had little to do with development and everything to do with expanding developed countries' access to developing countries' markets².

As its name implies, the Doha Round was supposed to produce development-friendly outcomes. Instead it pressured developing countries towards creating comprehensive market access for transnational companies from rich countries by liberalizing their agricultural, industrial, and services sectors. Agriculture has become the linchpin of the Doha Development Agenda. The U.S. and EU are commonly criticized by developing countries for their domestic agricultural spending support for American and European farmers, which hurts the economies of low-income countries.

In addition to concessions on agriculture, some of the most important issues for developing countries include compulsory licensing of medicines and patent protection,

trade facilitation through harmonization and streamlining customs procedures, and differential treatment of developing countries. Developing countries also want their problems in implementing current trade obligations addressed. The round is also being increasingly criticized now for the destructive impacts on labor and the environment of liberalized trade and investment. Social, economic, and environmental problems have increased as poor countries continue to lose their capacity to protect their economic interests³.

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- 1 **Walden Bello, "The Meaning of Seattle: Truth Only Becomes True Through Action", Yes Magazine, 28 November 2009, posted in <http://focusweb.org/node/1550>**
 - 2 **Fatoumata Jamara and Aileen Kwa, 2004, Behind the Scenes at the WTO: The Real World of International Trade Negotiations, Updated Edition, Zed Books**
 - 3 **See the Statement of the Climate Space of the World Social Forum in Tunis, "To Confront the Climate Emergency We Need to Dismantle the WTO and the Free Trade Regime", 05 September 2013 <http://focusweb.org/content/confront-climate-emergency-we-need-dismantle-wto-and-free-trade-regime>**

Doha Scorecard: From Hong Kong to Bali

The Hong Kong Ministerial Meeting in 2005 is considered by Asian movements a milestone in the campaign against the WTO. But despite the massive and militant protests in Hong Kong and across the globe, the ministerial resulted in an official declaration that paved the way for the continuation of the Doha talks after the two successive collapses in Seattle (1999) and Cancun (2003). In December 2013, the WTO goes back to Asia when the 9th Ministerial Meeting takes place in Bali, Indonesia. It is important to retrace the Doha negotiations from Hong Kong to Bali.

Hong Kong, 2005

The 6th Ministerial Meeting in Hong Kong was a turning point for the WTO. The fate of the Doha Round—whether negotiations for said round would move toward its conclusion by 2006 as envisioned or it would collapse over major critical issues (the third collapse in a span of



10 years)—was to be decided in this major Asian city. If it were the latter, it would be a big blow to the legitimacy of the WTO itself.

Hong Kong produced a Ministerial Declaration adopted 18 December 2005 that 'put the round back on track'. This was hailed as an 'interim deal' reflecting, according to Pascal Lamy, a 60 percent completion of the Doha Round.

In agriculture, there was consensus to eliminate export subsidies by 2013; also on the approach to reduce domestic support and tariffs and on some movements in the area of special products and special safeguard mechanisms.

In Non-Agricultural Market Access (NAMA), the ambitious Swiss Formula for tariff reduction was adopted with no clear details on flexibilities for developing countries.



Hong Kong Deal: The Real Score

The 'deal' was reminiscent of the flawed and undemocratic 'July Framework' of 2004 that was the basis of the negotiations. The Hong Kong text was conveniently vague in most of the contentious areas, allowing little space for negotiations while very clear in certain areas of interest to developed countries. The objective was to project success in Hong Kong and prevent a monumental collapse of the Doha Negotiations.

What we got in agriculture was a commitment to reduce export subsidies in 8 years time when it should have been done 10 years ago. Developed countries are still allowed to provide domestic support amounting to billions of dollars.

In NAMA, we got the Ambitious Swiss Formula with coefficients of between 5-10 for developed countries and 10-30 for developing countries. Lower coefficients in the formula would mean higher tariff cuts. The coefficients also represent the highest bound rate. In reality, very high coefficients will be required to protect local industries and many developing countries will not have the capacity to negotiate in their interest. The EU has offered the developing world a coefficient of 15 (i.e. highest tariffs are 15 percent in industrial products). To maintain their policy space, developing countries will require a coefficient of about 290.

The declaration glosses over the level of debate on flexibilities and the strong views expressed by developing countries that the issue of flexibilities strikes at the heart of the 'development dimension' of the round and should be a stand-alone provision.

In services, the most contentious has to do with BENCHMARKING and COMPLEMENTARY APPROACHES (including Plurilateral approach) which undermines the more flexible request and offer process. These proposals would have a coercive effect, forcing developing countries to liberalize more sectors and commit deeper liberalization.

In services, the outcome was the adoption of Annex C which defines the objectives, and approaches and sets timelines for the services negotiations. Approaches include benchmarking, sector-based negotiations and plurilateral approaches to requests and offers.

Geneva, 2008-2009

After the touted progress made in Hong Kong three years earlier, a mini-Ministerial Meeting was held in Geneva in 2008. The momentum that proponents were hoping for however was not sustained in Geneva and the talks collapsed. The more contentious issues glossed over in Hong Kong, for the sake of projecting progress, resurfaced and triggered major disagreements among WTO members. One of the main sticking points was the special safeguard mechanism, where the interests of import-sensitive China and India were pitted against the U.S. demands for predictable market access to farm products.¹

“The more contentious issues glossed over in Hong Kong for the sake of projecting progress resurfaced and triggered major disagreements among WTO members.”



<http://www.globalresearch.ca/the-greatest-depression-has-only-begun/25089>

Developing countries resented the direction of the talks away from the development objective. The 7th Ministerial Meeting was held again in Geneva in 2009. Characterized as a non-negotiating session, the Ministerial was organized as a platform for review of the WTO and the Doha Round in the wake of calls for institutional reforms and of the stalemate in the negotiations. In the midst of the global economic crisis, the conference was also meant to send a strong message on the importance of the WTO as a 'stabilizing force' amid the economic crisis.²

Geneva, 2011

Ministers adopted a number of decisions on several areas: intellectual property, electronic commerce, small economies, least developed countries' accession, a services waiver for least developed countries, and trade policy reviews.

Conference Chair Nigerian Trade and Investment Minister Olusegun Olutoyin Aganga

issued "Elements for Political Guidance" which was to provide a yardstick for the WTO's current political agenda in the lead up to Bali. The document stressed three main critical areas and imperatives:

Re-emphasizing the importance of the multilateral trading system as a way to combat protectionism in a time of economic crisis The other pillars of the WTO's legitimacy highlighted in the document were the institution's bureaucracy, the dispute settlement body, and the process of membership accession.

Propagating the linkages between trade and development and pushing a strong reaffirmation that development is a core element of its work Special emphasis was given to "assisting developing countries particularly LDCs to further integrate." The elements of trade and development emphasized in the document were: (1) Prioritization of LDC interests; (2) Need to address 'cotton' ambitiously in the agriculture negotiations; (3) Reaffirmation of the integrity of the special and differential treatment; and (4) Aid for trade.

Conclusion of the Doha Development Agenda With the continued impasse in the negotiations, a second-best option that was being contemplated was the conclusion of

provisional or definitive agreements in certain areas ahead of the full conclusion of the single undertaking. In earlier articulations, Pascal Lamy had hinted of a Doha-light package that would include the areas where members had reached considerable consensus. The message to members was to "fully explore different negotiating approaches."

Bali, 2013

The 9th Ministerial Meeting of the World Trade Organization is scheduled for the first week of December 2013 in Bali, Indonesia. The Bali Ministerial is envisioned yet again to provide the spark to re-energize the otherwise moribund multilateral trade talks and safeguard the legitimacy of the WTO as the pillar of the multilateral trading system. The main outcome envisioned for Bali is an Early Harvest Agreement, also called the Bali Package, which is a set of proposals under the Doha Round on trade facilitation, agriculture and commitments to least developed countries (LDCs) that have already generated considerable consensus among the members.

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- 1 <http://ictsd.org/i/wto/wto-mini-mc-geneva-2008/englishupdates/15315/>
 - 2 http://www.wto.org/english/news_e/news09_e/mn09a_30nov09_e.htm

Early Harvest: The Bali Package

The Bali Package is an agreement on a few elements of the Doha Agenda that is expected to be delivered at the 9th Ministerial Conference in Bali.

The 'early harvest' or Bali Package has three main components or pillars: trade facilitation, agriculture, and a package for Least Developed Country members (LDC).

Trade facilitation: the "low-hanging fruit"

Cutting red tape, improving border or customs procedures and reducing trade costs are the main goals of the agenda on trade facilitation. Trade facilitation first gained prominence in the WTO as early as 1997 when it was included in a set of new issues that developed countries were pushing to be included in the WTO agenda.

While its inclusion in the agenda as one of the so-called Singapore Issues (with competition policy, government procurement and investments) had been highly contested—this was viewed as an expansion of the WTO's reach beyond trade and even forced the collapse of the talks in Cancun—trade facilitation is back on the agenda and is now considered one of the deliverables in Bali. The proposal seems to generate the broadest support among members. It is on top of the U.S. agenda for the Bali meet¹ and it's a proposal that is being pushed as well by the business community.²

The assertion is that a deal on trade facilitation is a win-win for both developed

and developing countries. Already, the expected multilateral deal on trade facilitation is said to represent a stimulus amounting to as much as \$1 trillion.³ Former WTO Director General Pascal Lamy recently expressed his view that "the negotiations on trade facilitation are the proverbial 'low hanging fruit' — the value of the measures are not debatable and unlike some other difficult trade negotiations in the Round, there is no risk of farmers, taxi drivers or garment workers protesting in the streets."⁴

For his part, new Director General Roberto Azevedo has consistently viewed a trade facilitation deal as an important deliverable in Bali and as he expressed in India recently, it is something that could "help boost south-south cooperation and trade."⁵

Trade facilitation became part of the Doha Agenda in 2004 (Annex D) under the so-called July Package agreed upon by members in the lead up to the Hong Kong Ministerial. The current negotiating mandate on trade facilitation contains two broad goals –to put in place measures that would further expedite trade; and to enhance technical assistance and support for capacity building in this area, recognizing the need for special and differential treatment (SDT).

The revised version of the text which is the basis of current negotiations includes a section on SDT (Section 2), which outlines three categories of commitment for developing and least developed countries: Category A commitments for provisions and measures that members are already implementing

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and therefore should be implemented upon entry into force of the agreement; Category B commitments for provisions to be implemented after a transitional period; and Category C commitments for provisions to be implemented after a transitional period and upon the acquisition of implementation capacity. Many provisions in the section on SDT however remain in brackets reflecting the division among developed and developing countries on the question of flexibilities.

Developing countries assert that the mandate and the work programme for the negotiations on trade facilitation recognizes SDT for developing and Least Developed Countries (LDC) and the need for developed countries to provide "support and assistance to developing and LDCs members in a comprehensive manner and on a long term and sustainable basis, backed by secure funding."⁶

There is also a strong reference to the fact that the mandate conditioned implementation by developing countries and LDCs on the acquisition of financial, technical, and

capacity building, based on the delivery of such assistance by developed countries Members of WTO.⁷

The U.S. position however on SDT is anchored on self assessment by developing countries of their implementation capacity and their refusal to bind their commitments on financial support for trade facilitation. According to USTR Michael Froman, "Under a proposal first put forward by the United States four years ago and later taken up by many others, developing countries would be allowed to create their own individual implementation schedules. This is unprecedented. It is innovative trade policy."⁸

While estimates of the benefits of trade facilitation are floating around to the tune of billions of dollars, including reduced costs to trade estimated at around 10 percent for developed countries and as much as 14 percent for the developing, a missing component of the equation is the question of implementation costs for developing countries and LDCs. Implementing new measures on



Judy A. Pasimio

trade facilitation would mean not only loss of revenues but would also entail additional costs associated with putting in place new regulations, setting up institutions, hiring new personnel, and purchasing new equipment and building infrastructure. All of these costs can run up to over US\$100 million.⁹

Agriculture

There are a number of key elements for a possible deal on agriculture under the Bali Package. The most significant of which for developing countries and also the most contentious is the **G-33 proposal on public stockholding for food security** being advanced strongly by India. This proposal seeks to amend the Agreement on Agriculture to allow public stockholding programmes that are meant to support low-income and resource poor farmers for food security purposes. Other elements of a possible provisional deal on agriculture include export competition, a longstanding commitment on the elimination of export subsidies (HK mandate is to eliminate by 2013), and a deal on tariff rate quota (TRQ) administration—or how imports within quotas can be shared among importers, a proposal of the G20 which includes provisions on special and differential treatment.

LDCs and development

In May 2013, Nepal, on behalf of the LDC Group, made a formal submission for an LDC package for the Bali meet involving four areas, namely (1) implementation of the duty free-quota free market access decision (DFQF Decision) taken by members at the Hong Kong Ministerial Conference in 2005; (2) preferential rules of origin; (3) cotton; and (4) operationalization of the LDC Services waiver.

The LDC package for the Bali meet gives the talks a veneer of a 'development agenda' ahead of the conclusion of the Doha (Development) Round. In reality however, what the LDCs are in effect asking are things that have already been committed to them in the past. On DFQF for example, what LDCs hope to achieve is merely a decision to fully implement a commitment made eight years ago in Hong Kong to provide at duty free-quota free access for 97 percent of products originating from LDC countries.

On cotton, a very important sector for LDCs, what has been proposed by the LDC group, mindful of the general request for "reasonable and feasible" proposals for Bali, are amendments on two issues already reflected in a 2011 Draft Ministerial Declaration to update the standstill clause under the commercial component of cotton, and rewording of an item in the Declaration to allow for additional inputs and discussions on bridging the consultative mechanism for cotton and the Aid for Trade Undertaking.

Of the four core issues for LDCs in Bali, perhaps the point about preferential rules of origin is the most contentious. What LDCs are saying is that strict rules of origin prohibit the full utilization of preferences for LDCs, hence they are not able to fully take advantage of preferential market access for their products.

In their formal submission to the trade negotiations committee, the LDC group recognized the efforts already undertaken to reform rules of origin in some developed countries to address this concern, but also pointed out that the "responses from preference-giving countries have not been encouraging,"¹⁰ despite the clear mandate from Annex F of the Hong Kong Declaration which states that "Developed-country

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Members shall, and developing-country Members declaring themselves in a position to do so should: (b) Ensure that preferential rules of origin applicable to imports from LDCs are transparent and simple, and contribute to facilitating market access.”¹¹

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- 1 Keynote Speech delivered by USTR Michael Froman at WTO Public Forum on Innovation and the Global Trading System held in Geneva. 1 October 2013. <http://www.ustr.gov/about-us/press-office/speeches/transcripts/2013/september/froman-wto-innovation-global-trade>. Last viewed 18 October 2013
 - 2 WTO Trade Facilitation: Time for Early Harvest. Joint statement of the Conseil québécois du commerce de détail (Canada), EuroCommerce (Europe), the Foreign Trade Association (Europe), the National Retail Association (US) and the Retail Council of Canada http://www.wto.org/english/forums_e/public_forum12_e/session24tradfa_joint_stat_e.pdf
 - 3 Pascal Lamy in a speech before the Chitaggong Chamber of Commerce in Bangladesh. 1 February 2013. <http://www.ft.com/intl/cms/s/0/ed70bf36-f804-11da-9481-0000779e2340.html>
 - 4 Pascal Lamy in a speech before the Chitaggong Chamber of Commerce in Bangladesh. 1 February 2013. <http://www.ft.com/intl/cms/s/0/ed70bf36-f804-11da-9481-0000779e2340.html>
 - 5 Speech of DG Roberto Azevedo before the Federation of Indian Chambers of Commerce and Industry in Delhi, India. 7 October 2013. Last viewed 18 October 2013. http://www.wto.org/english/news_e/spra_e/spra3_e.htm
 - 6 Annex D of the Doha Work Programme. 2004. Accessed at http://www.wto.org/english/tratop_e/dda_e/draft_text_gc_dg_31july04_e.htm. Last viewed 23 October 2013
 - 7 Annex D of the Doha Work Programme. 2004. Accessed at http://www.wto.org/english/tratop_e/dda_e/draft_text_gc_dg_31july04_e.htm. Last viewed 23 October 2013
 - 8 Keynote Speech delivered by USTR Michael Froman at WTO Public Forum on Innovation and the Global Trading System held in Geneva. 1 October 2013.
 - 9 South Centre paper on Trade Facilitation: Implementation Cost Issue. July 2012.
 - 10 Communication of Nepal on Behalf of the LDC Group on LDC package for Bali. Submitted to the trade negotiations committee 31 May 2013.
 - 11 Communication of Nepal on Behalf of the LDC Group on LDC package for Bali. Submitted to the trade negotiations committee 31 May 2013. Addendum submitted September 2013.

India (G-33) Proposal on Food Security: A Wrong Move Can Jeopardize India's Food Security Forever

One of the key components of the Bali Package which will decide the outcome of the 9th Ministerial Conference is the India proposal, on behalf of G-33, on food stockholding for food security purposes. This proposal aims to widen 'policy space' by changing the Agreement of Agriculture (AOA)¹ in order to ensure food security of large populations of hungry Indians. This will also allow India's government to continue procurement of wheat and rice at the minimum support price (MSP) from low-income resource-poor producers (comprising approx. 98.97 percent² of India's farmer population with operational landholdings of ten hectares or less). These poor farmers survive in agriculture because of government procurement of their produce under the food security (public distribution) programme. However, poor farmers and hungry people of developing countries like India are now considered the main hurdles in the successful completion of the Bali Ministerial. Big countries

like the U.S. and Canada are not ready to accept G-33 demands to change AOA rules. They are not ready to let developing countries like India to cross its minimum subsidy (*de-minimis*) limit of 10 percent of the total value of food production as per the external reference price (ERP) prevailing during 1986-88.

The India proposal states that significant progress has been achieved in the Doha Round negotiations which recognize the serious concerns of food security in developing countries. Food security has become a global concern in the past few years and requires urgent action. It is also asking for some of the elements in the Revised Draft Modalities for Agriculture Text (TN/AG/W/4/Rev.4) of 6 December 2008, relating to food security, to be taken up for a decision in the Bali Ministerial in accordance with paragraph 47 of the Doha Ministerial Declaration (DMD). **India wants the deletion of the last sentence of footnote no. 5** of paragraph 3 of the AOA Annex 2 on Public stockholding for food security purposes: "*For the purposes of paragraph 3 of this Annex, governmental stockholding programmes for food security purposes in developing countries whose operation is transparent and conducted in accordance with officially published objective criteria or guidelines shall be considered to be in conformity with the provisions of this paragraph, including programmes under which stocks of foodstuffs for food security*

De Minimis (Article 6.4):

Under the De Minimis provision of the Agreement, there is no requirement to reduce trade distorting domestic support or subsidy where the aggregate value of support does not exceed a certain limit or ceiling. In the case of developing countries, the De Minimis ceiling is 10 percent.

purposes are acquired and released at administered prices, provided that the difference between the acquisition price and the external reference price is accounted for in the AMS (Aggregate Measurement of Support)”. The fixed external reference price was decided at the conclusion of the Uruguay Round. It is the average f.o.b. (free on board- price from farm gate till its delivery on the ship) price that has been notified by a country like India for a product for the period 1986-1988 and is used as a benchmark for calculating countries’ market price support levels even today. Due to the time that has lapsed, this price is often much lower than the current prices.

This is why the G-33 has proposed to delete *“the difference between the acquisition price and the external reference price is accounted for in the AMS”* and replace it with: *“However, acquisition of stocks of foodstuffs by developing country Members with the objective of supporting low-income or resource-poor producers shall not be required to be accounted for in the AMS.”*

The G-33 proposal further demands that the following should be added in the existing footnote 6 of paragraph 4 of Annex 2 of the AOA. For the purposes of paragraphs 3 and 4 of this Annex, *“the acquisition of foodstuffs at subsidised prices when procured generally from low-income or resource-poor producers in developing countries with the objective of fighting hunger and rural poverty, as well as”* the provision of foodstuffs at subsidised prices.

The goal is to meet food requirements of urban and rural poor in developing countries on a regular basis at reasonable prices, which is in conformity with the provisions of the above-noted paragraph.

Green Box (Annex 2):

This refers to policies or support measures which have a minimum impact on trade and are, therefore, free from reduction commitments.

Paragraph 3: Public stockholding for food security purposes:

Expenditures (or revenue foregone) in relation to the accumulation and holding of stocks of products which form an integral part of a food security programme identified in national legislation. This may include government aid to private storage of products as part of such a programme.

The volume and accumulation of such stocks shall correspond to predetermined targets related solely to food security. The process of stock accumulation and disposal shall be financially transparent. Food purchases by the government shall be made at current market prices and sales from food security stocks shall be made at no less than the current domestic market price for the product and quality in question.

Developing countries like India are still the victims of the biased rules of AOA framed two decades ago as part of a secret deal (the 1993 Blair House accord) between the European Union and U.S. which crafted a multilateral farm deal suited only to developed countries. The deal also gave them enough policy space to continue their huge trade-distorting subsidies in agriculture even today, in one form or another. India, where a third of the world’s hungry people live, fears being dragged into a trade dispute by massive subsidizers like the U.S. and EU if it expands its food security programme under the latest

national food security legislation, which may result in crossing the 10 percent limit of the trade-distorting subsidies. Therefore the India proposal, presented by Indonesia on behalf of the G-33 and proposed at an informal meeting of the Special Session of the Committee on Agriculture on 13 November 2012 (WTO document JOB/AG/22), wants the provisions on public stockholding for food security purposes, already included in the Draft modalities of 6 December 2008, to be taken up for a formal decision at the WTO's 9th Ministerial Conference in Bali in December 2013. This proposal demands more flexible rules for farm subsidies in the WTO 'Green Box'—those that are exempt from any ceiling or reduction commitments on the ground that they cause not more than minimal trade distortion.

Biased WTO rules

The key objective of the India proposal is food security and it should be based on procurement of farm produce from low-income or resource-poor producers at government set prices (or "administered prices" which would offer price support to producers, e.g. MSP in case of India). This price support must not count as trade distorting support subject to limits, a "de-minimis" amount of up to 10 percent of the total value of production. If the farm produce for food security programme is procured at the prevalent market price, it will not be counted as trade distorting domestic support [also called as "Amber Box" or Aggregate Measurement of Support³ (AMS)].



Among the 100 developing countries in the WTO, only 17 have recourse to the AMS while the other developing countries, including India, have declared zero AMS in the Uruguay Round or at the time of their accession. This means that most developing countries only have recourse to 10 percent product specific *de-minimis* and 10 percent non-product specific *de-minimis*, as well as Article 6.2 of the AOA which covers input and investment subsidies for low-income resource poor producers. And if a government wants to provide price supports for their producers, according to the AOA, Annex 3 paragraph 8,

Paragraph 4 (Annex 2): Domestic food aid

Expenditures (or revenue foregone) in relation to the provision of domestic food aid to sections of the population in need.

Eligibility to receive the food aid shall be subject to clearly-defined criteria related to nutritional objectives. Such aid shall be in the form of direct provision of food to those concerned or the provision of means to allow eligible recipients to buy food either at market or at subsidized prices. Food purchases by the government shall be made at current market prices and the financing and administration of the aid shall be transparent.

Footnote 6:

For the purposes of paragraphs 3 and 4 of this Annex, the provision of foodstuffs at subsidized prices with the objective of meeting food requirements of urban and rural poor in developing countries on a regular basis at reasonable prices shall be considered to be in conformity with the provisions of this paragraph.

the following subsidy has to be notified to the WTO as an AMS. For developing countries with zero AMS like India, this figure cannot exceed the 10% product specific *de-minimis* (when the support is product-specific).

The support to be notified to the WTO will be the difference between the administered price and the fixed external reference price, multiplied by the volume. However, the trap in this AoA Annex 3 paragraph 8 language is that it is not only the volume that the government actually procures, but the entire production that is 'eligible' to receive such supports. That is, even if the Indian government actually only procures a small volume, they have to calculate the AMS supports as if they had provided price support for the entire production of that product (the 'eligible' volume). With this constraint, several developing countries are in danger of reaching or exceeding their permitted limits of 10 percent product specific *de-minimis*.

In view of the food crisis in 2007-08, the increasing volatility in food prices, and the uncertain supplies in the international market (due to production variations as a result of climate change and also due to financial speculation), it is essential for developing countries to increase their food production. To do this, government price support to low income resource poor farmers is important. This has been, and continues to be, how developed countries have succeeded in their development and industrialization process. In order to support low-income resource-poor farmers in developing countries, the G-33 proposal therefore attempts to make price supports for such farmers a special and differential treatment exemption (as in Article 6.2). The G-33 proposal will remove asymmetry and inject a little more equity into the rules of the AOA between developed and developing

countries. Many developed countries like the U.S. and EU are providing decoupled income supports to their farmers under the Green Box which are not subject to any ceiling levels. They have not even decreased their overall supports by shifting their AMS supports to the Green Box. Developing countries that declared zero AMS are being told they have to maintain their zero AMS forever. They cannot provide any additional support beyond their *de-minimis* and what Article 6.2 provides, even though it is for the purpose of ensuring food security of their people and survival of their small and marginal farmers. This is why India is trying to get the rules changed; so that purchasing food from farmers can be included in the Green Box.

Some developed countries, mainly the U.S., are the primary opponents of the G-33 proposal, although they have benefited the most from the biased and unjust rules of WTO, which allows a developed country to shift their huge agricultural subsidies to the Green Box to avoid any discipline. The developed countries are not taking any steps to reduce and eventually eliminate their massive subsidies, which mostly go to their large agri-businesses, yet they shamelessly restrict developing countries with huge hungry and malnourished populations from increasing subsidies meant to provide food security. The U.S. provided agriculture subsidies to the tune of \$94 billion in 2011, yet its trade Ambassador to the WTO, Michael Punke, at a meeting of the Trade Negotiations Committee of the WTO in Geneva, in April 2013, said "the G-33 proposal on stockholding of food put forward by India is confusing and cause for concerning." Since the beginning of the Doha Round, developing countries have made clear that they view disciplines for the reduction of trade-distorting agriculture subsidies as one of the fundamental goals of the Round. Instead of creating new disciplines

**Annex 3: Paragraph 8:
Market price support:**

Market price support shall be calculated using the gap between a fixed external reference price and the applied administered price multiplied by the quantity of production eligible to receive the applied administered price. Budgetary payments made to maintain this gap, such as buying-in or storage costs, shall not be included in the AMS.

to reduce agriculture subsidies, the G-33 proposal represents a step back from existing Uruguay Round disciplines—creating a new loophole for potentially unlimited trade-distorting subsidies".⁴

But the fact is Green Box is a big loophole in the WTO, as it has no limit. Rich countries like the U.S. use this to their advantage by shifting most of their trade distorting subsidies from 'Amber Box' to the Green Box, including subsidies not directly linked to production, or are tied to environmental protection, so it looks on paper like they are reducing the support but the support has really gone up. The U.S. is the most critical of the India proposal, yet its own outlays on food stamps have risen sharply, and the total farm subsidy spending reached a new record of US\$130.3 billion in 2010. Of this, US\$120.5 billion has been reported as Green Box payments. According to U.S. government figures, domestic food aid—the category including food stamps—represented almost eight-tenths of total Green Box spending in 2010, at \$94.9 billion⁵.

Compared to this huge subsidy for food aid in the U.S., India's subsidy accounted for around \$9.4 billion⁶ in 2010 of combined rice

and wheat Indian food aid—the U.S. amount is 10 times larger than India's. There are 80 million U.S. beneficiaries while India has 475 million, or 6.3 times larger per beneficiary than in the United States⁷. However, after the full implementation of the National Food Security Act of 2013, which entitles around 67 percent of the population to benefit from this, India's food subsidies is expected to cross the 10 per cent mark. This will leave India open to penalties under WTO rules, which in this case punishes those countries who were not big subsidizers when this rule came into force and bound them to subsidies at 10 percent *de-minimis* level.

National food security programme

Indian Food Security Act 2013 guarantees the right to food to two-thirds of India's population (or 820 million⁸ people, which points towards the actual level of poverty in India) by giving them five kilograms of rice or wheat or coarse cereals at Rs 3, 2, 1, respectively. It will require procurement of around 62 million tonnes of food grains annually from low-income resource-poor farmers, at the cost of Rs 1,30,000 crore⁹ (or US\$21.13 Billion¹⁰) government support, only one-fifth of U.S. Green Box spending for food stamps. A recent World Bank report¹¹ showed that India accounts for one-third of the world's poor, people living on less than \$1.25 (about Rs 65) per day. The Arjun Sengupta report¹² estimated that 77 percent of Indians (about 836 million people) live on less than Rs 20 a day (about \$0.50 per day) based on data between the periods 1993-94 and 2004-05. Similarly the NC Saxena committee set up by the Rural Development Ministry estimated that 50 per cent of Indians are below the poverty line if one takes into account the criterion of calorie intake¹³.

Article 6.2:

In accordance with the Mid-Term Review Agreement that government measures of assistance, whether direct or indirect, to encourage agricultural and rural development are an integral part of the development programmes of developing countries, investment subsidies which are generally available to agriculture in developing country Members and agricultural input subsidies generally available to low-income or resource-poor producers in developing country Members shall be exempt from domestic support reduction commitments that would otherwise be applicable to such measures, as shall domestic support to producers in developing country Members to encourage diversification from growing illicit narcotic crops. Domestic support meeting the criteria of this paragraph shall not be required to be included in a Member's calculation of its Current Total AMS.

The new international Multi-dimensional Poverty Index, developed by the Oxford Poverty and Human Development Initiative for the UNDP's 2010 Human Development Report (HDR), also indicated that about 645 million people, or 55 percent of India's population, are poor¹⁴. India's poverty situation has gone worse in the last 12 years. As per 2001 UN Human Development Reports, India was at the 115th position among 162 countries, but in the HDR of 2011, India's rank slipped to 134 among 187 countries. India lags much behind its neighbours Bangladesh, Bhutan and Nepal in terms of various social indicators. According to

the HDR of 2011, the under-five mortality rate was 66 per 1,000 births in 2009 in India versus 48 in Nepal and 52 in Bangladesh.¹⁵

The reality of India's hunger and poverty situation necessitates a food security programme that is consistent with the development concerns of India's population. Therefore it is quite crucial for India and other developing countries to get the proposal on stockholding for food security approved at the Bali Ministerial in order to continue giving such subsidies within their domestic constituencies in future. But the U.S. has rejected the G-33 proposal to change AOA Rules on the pretext that it "could undermine existing subsidy rules." Instead of a permanent solution, the U.S. is ready to give India and other G-33 countries a "Peace Clause." A Peace Clause is when countries agree not to bring up cases in the WTO against each other on an issue, but they don't really change the rules per se. Often the Peace Clause is of a temporary nature for a set number of years and then automatically

expires unless it's actively renewed. This is a smart move by the U.S. to get the consensus on another important component of the Bali Package, i.e. agreement on Trade Facilitation that will require countries to invest in infrastructure to speed up customs clearances and help global trade. But trade facilitation is nothing but import facilitation and requires upgrading infrastructure at border, ports and custom procedures to boost excessive imports from developed countries.

Till the first week of October 2013, India has been sticking to the position that a multilateral agreement on facilitating trade through mandatory measures like time-bound clearance, better infrastructure, and less documentation cannot be reached without a concurrent pact on relaxing food subsidy limits to let developing countries meet their food security commitments. If the G-33 group of developing countries' proposal on food security does not move forward, the trade facilitation agreement (pushed by developed



countries) will not happen, said Rajiv Kher, India's chief negotiator at the WTO in July this year¹⁶. However, two months later in October, India's position would change vis-a-vis both the proposals, the food security and the trade facilitation. WTO Director General Azevedo visited Delhi and stressed a middle ground for putting a Bali Package together with the help of India. This is quite a disturbing turnaround for India and if India sticks to this new position, it has the potential to fail the ambitious food security programme under the 2013 Act.

After the Azevedo visit, India seems ready to settle for a short-term solution to the problem surrounding its food security legislation and agree to a "peace clause" which provides a temporary reprieve from penalties in the event that the subsidy level is breached. India may also agree to the demand of developed countries for a pact to facilitate movement of goods across borders.

Since the Peace Clause may lapse after the agreed period of time without change in the AOA rules, India's dream project, the national food security programme, will be jeopardized. The increasing subsidies by the developed countries will see an increase in food imports, after an agreement on trade facilitation, pushing domestic farmers out of business. India must revert back to its original position and intensify demand for more policy space to feed their poorest population while paying a fair price to their farmers under the Green Box. Like the developed countries,

India and other developing countries should have similar flexibilities and comfort zone to manoeuvre their subsidies for the benefit of its people and farmers.

- 1 Agreement on Agriculture (AO), which formed part of the Uruguay Round Agreement signed by member countries including India in April 1994 and became operational with the establishment of the WTO from 1st January, 1995.
- 2 India's most recent official farm subsidy notification to the WTO, document G/AG/N/IND/7 of 9 June 2011
- 3 Aggregate Measurement of Support (AMS) is a means of quantifying the aggregate value of domestic support or subsidy given to each category of agricultural products. Each WTO member country has made calculations to determine its AMS level wherever applicable. AMS consists of two parts — product-specific and non-product-specific.
- 4 <http://www.ustr.gov/about-us/press-office/speeches/transcripts/2013/april/amb-punke-statement-wto-tnc>
- 5 <http://ictsd.org/i/news/bridgesweekly/146491/>
- 6 <http://www.twinside.org.sg/title2/wto.info/2013/twninfo131005.htm>
- 7 http://www.wto.org/english/news_e/news13_e/pfor_03oct13_e.htm
- 8 http://zeenews.india.com/news/nation/rajya-sabha-passes-national-food-security-bill-by-voice-vote_873721.html
- 9 One crore is 10 million
- 10 At the current rate of Rs. 61.50 for a dollar.
- 11 http://articles.economictimes.indiatimes.com/2013-04-18/news/38647031_1_extreme-poverty-poverty-line-world-development-indicators
- 12 Report on the Conditions of World and Promotion of Livelihoods in the Unorganised Sector by the National Commission for Enterprises in the Unorganised Sector, August 2007
- 13 <http://www.thehindu.com/business/Economy/calorie-intake-criterion-puts-50-per-cent-indians-below-poverty-line/article22587.ece>
- 14 http://articles.timesofindia.indiatimes.com/2010-07-15/india/28281806_1_child-mortality-nutrition-human-development-initiative
- 15 Human Development Report 2011, (Table: 9); http://hdr.undp.org/en/media/HDR_2011_EN_Complete.pdf
- 16 <http://www.thehindubusinessline.com/economy/hike-in-food-subsidy-limits-vital-for-trade-facilitation-pact-at-wto-india/article4967106.ece>

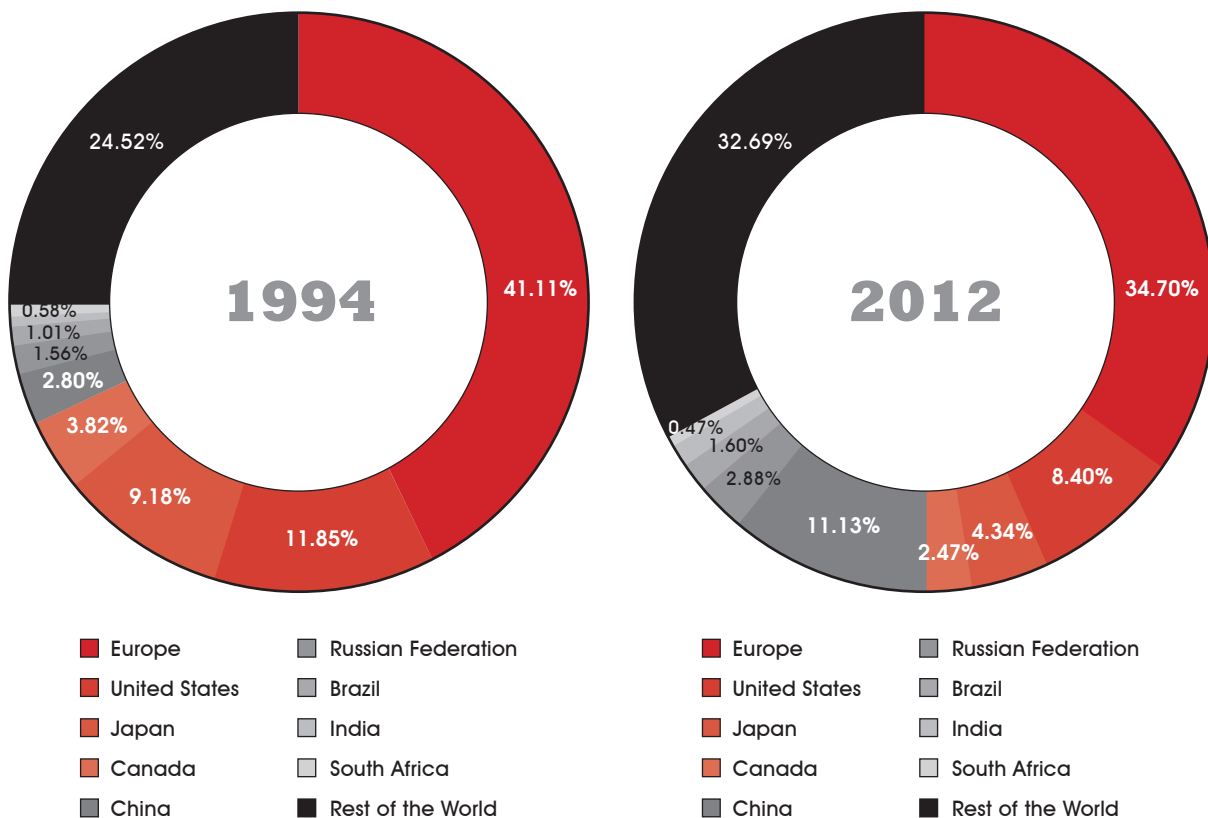
The Changing Geopolitics of Trade: Old and New Players in Slowdown

When the WTO was created, the trade negotiations were mainly decided by the U.S., Europe, Japan and Canada, and their decisions were imposed on the rest of developing countries. At that time, China and Russia were not members of the WTO. Trade negotiations then, in a way, reflected the share that these countries had in global trade. The "big four" accounted for 68 percent of total exports in 1994. The BRICS (Brazil, Russia, India, China and South Africa)—that didn't exist as an alliance then—accounted for only 6.5 percent of total exports.

The emergence of and disparities between old and new players

In its 18 years of existence, the situation of the WTO has changed. China and recently Russia have become members of the WTO. Today, the old "big four" have reduced their share to 49.9 percent of global exports of goods while the BRICS countries now represent 17.4 percent of the global market of commodities.

Global Exports of Goods



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The weight of the BRICS is even larger if we take into account that around 70 percent of Europe's trade is trade within the European Union.

Up until 2011, the BRICS had a very important increase in trade but in 2012, their growth began to slow down, with the situation getting worse in 2013. Brazil, Russia, India and South Africa are now mainly exporters of raw materials and primary products. China is a different story and has become the top exporter of goods in the world. When it comes to "commodities with value added" the new elephant in the room is definitely China—more than the BRICS taken as a group—while the old "big four" are on the decline.

Competition in a slowdown context

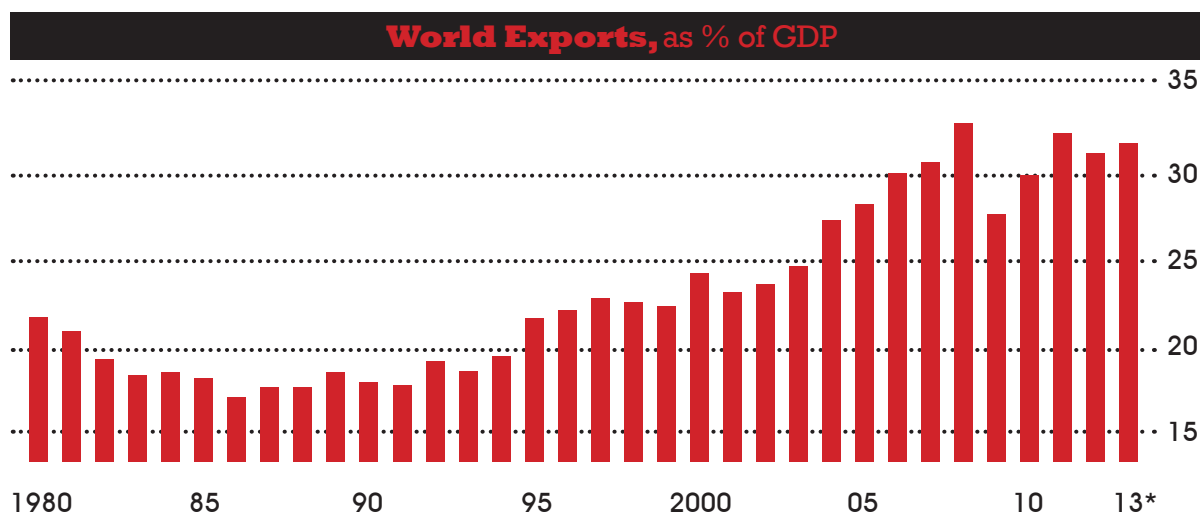
During the last 18 years of the WTO, it is not only the relation between players that has changed but also the context of global trade and investment. Up until 2007, global trade had grown three times from the levels of 1994, but since the beginning of the crisis, the rate of global trade growth has paused. Also, global

capital flows are now only one-third of the US\$11 trillion reached in 2007.

Some analysts believe that this slow down is temporary. Others, like us, think that this will be the new normal. Almost everybody agrees that global trade will likely remain sluggish for years. In this context, what are the strategies of the different players?

Different strategies for their corporations

The trade agenda agreed by BRICS in 2012 focused on: 1) promoting "intra-BRICS trade and investment" of "high value-added products;" 2) creation of a "New Development Bank of the BRICS" for "infrastructure and sustainable development projects in BRICS and other emerging economies and developing countries," and 3) the establishment of a "Contingent Reserve Arrangement (CRA) amongst BRICS countries" with an initial size of US\$ 100 billion to "help BRICS countries forestall short-term liquidity pressures, provide mutual support and further strengthen financial stability."



Sources: IMF; McKinsey Global Institute; *The Economist*

*Forecast

The trade and investment expansion strategy of the BRICS is mainly through the allocation of public resources in infrastructure, extractive industries and other projects in BRICS and developing countries in order to create demand for their own corporations and to gain more access to natural resources.

The strategy of the old "big four" is to push for more trade liberalization through free trade negotiations like the TPP (Trans-Pacific Partnership), TAFTA (Trans-Atlantic Free Trade Area) and other FTAs to counter-balance the trade expansion of China and set up a new standard of deeper trade liberalization for all countries.

China combines both strategies and has negotiated FTAs with many of the same partners that have FTAs with the EU and the U.S. China mixes a "controlled," "gated," "limited" free trade strategy with state intervention policies to expand their own corporations around the world.

In a shrinking context, the competition gets worse, but behind closed doors, many of the State Owned Enterprises and the private Transnational Corporations are doing business together, all over the world. The concentration of capital is increasing as well as inequality. The losers of these different strategies to promote their corporations are the people and nature.

Implications for the WTO

When it comes to the WTO, both BRICS and the old "big four" want some kind of outcome in the 9th Ministerial Conference in Bali to give a positive signal to the sluggish markets. All of them have agreed to leave aside the "single undertaking" deal of the Doha Round to avoid a stalemate. All of them have brought from the dead one element of the rejected "Singapore Issues" in 2003: Trade Facilitation.

The United States is pushing for a more ambitious trade facilitation agreement. India is willing to accept just a peace clause for the implementation of subsidies for small farmers that go beyond the current agreed levels in the WTO. Brazil, which now leads the WTO, wants to show that they are able to move the stalled negotiations. "There is a message for the WTO," said the new Brazilian Director General of the WTO, "the past two years of sluggish trade growth reinforce the need to make progress in the multilateral negotiations."

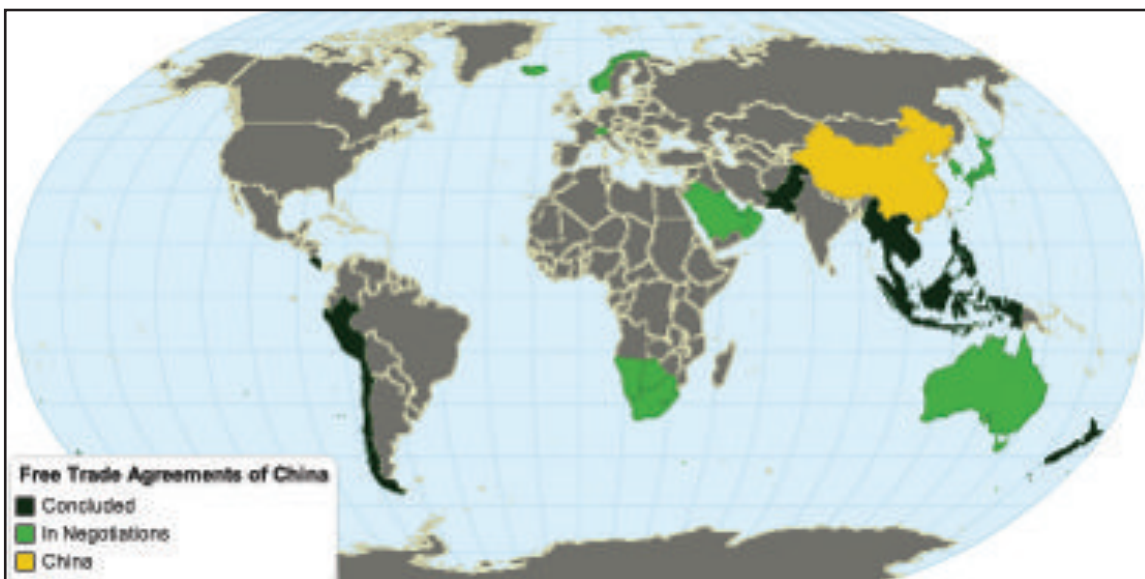
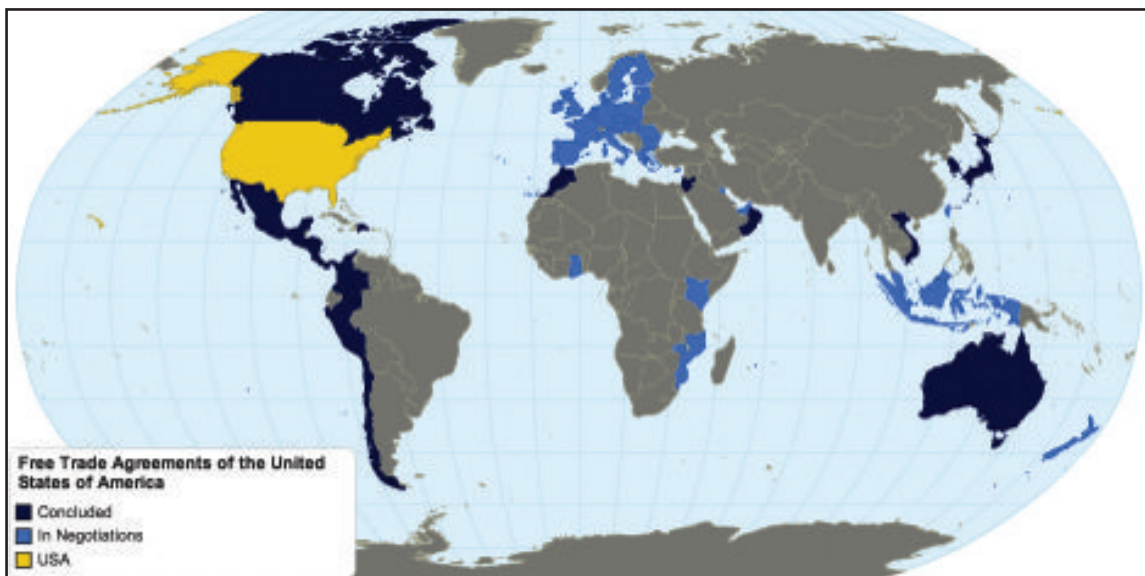
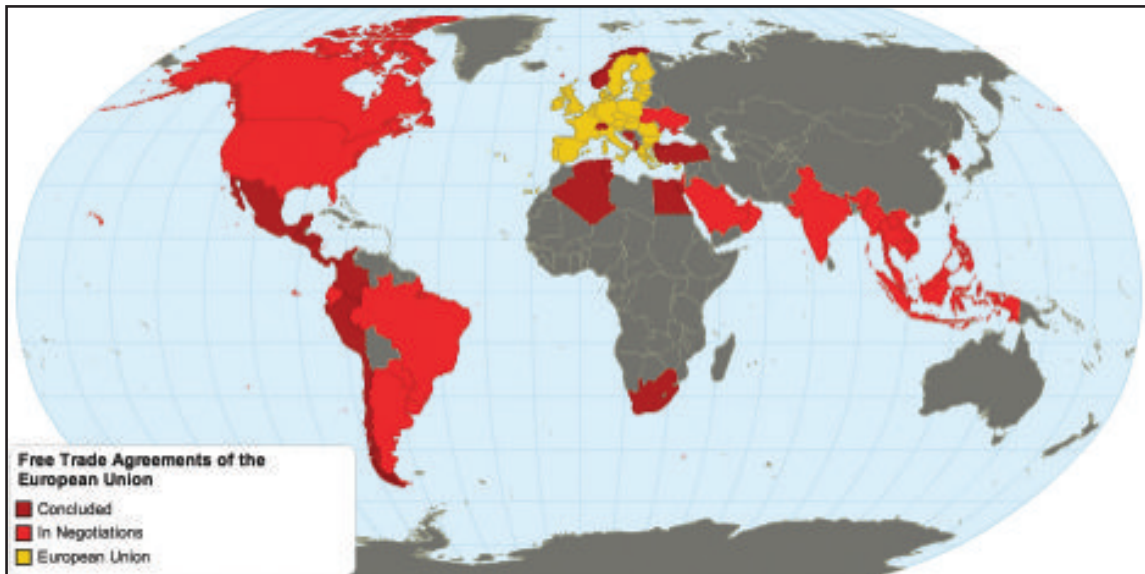
In synthesis there is a new environment that can lead to the unlocking of the stalemate of the WTO. If this happens, the most dangerous thing will be what comes after the Bali Package. The "old four" have a strong offensive strategy that goes from bringing the remaining Singapore Issues (investment, government procurement and competition), including new issues like environmental services, to the multilateral level many of their "gains" in FTA negotiations. The BRICS have a more defensive strategy with one main offensive issue in relation to the agriculture subsidies of the developed countries, but at this stage of the economic crisis of the developed countries they see that it is not possible to move this forward.

Nothing has yet been said about the WTO negotiations. There are disagreements in relation to the flexibilities for developing countries in trade facilitation; the length of the peace clause for "food security" is in debate, and nothing is clear yet in relation to the day after a Bali Package.

The WTO moves very slowly but as it does it involves almost all countries, expanding liberalization to the entire globe at the expense of humanity and nature.

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The Second Front: Aggressive Push for New Generation Free Trade Agreements

New generation of free trade and investment agreements (FTAs), broad, comprehensive, and highly ambitious deals, are spreading across the global landscape and threatening to dominate global trade policy.

The U.S. Standard

The Trans-Pacific Partnership Agreement (TPPA) is a free trade agreement being negotiated by nine countries in the Asia Pacific Region: Singapore, Brunei, Malaysia and Vietnam from ASEAN; Australia and New Zealand from the Pacific; Chile and Peru from Latin America; and the United States from North America.

Largely regarded as a U.S. led initiative, the agenda of the TPP talks revolve around five defining features which according to the Office of the US Trade Representative would make TPP a "landmark, 21st-Century trade agreement."¹ The key elements are: Comprehensive Market Access; Fully-regional agreement that will facilitate the development of production and supply chains; Cross-cutting issues of regulatory coherence, competitiveness and business facilitation, small and medium enterprises, and development; and New trade challenges related to the digital economy and green technologies.

The fifth defining feature of the TPP and one that really stands out as a major innovation in trade negotiations is the idea of the living agreement, which will enable the updating

of the agreement to address future issues as well as the expansion of the membership to accommodate new entrants.

The TPP talks cover a whole set of issues from the more traditional ones such as market access in goods and services, rules of origin and technical barriers, to trade, to the so-called Singapore Issues of trade facilitation, competition policy, government procurement and investment. The main principle guiding these negotiations is strict adherence to 'high standards' in all these areas.

The 16th round of the negotiations was recently concluded in Singapore where the reports have been of "solid progress in a number of key areas like regulatory coherence, customs, and development."² Sticky points however remain in the more contentious areas of intellectual property, the environment, competition, and labor policies.³ Another major development around the TPP talks was the announcement recently of Japan's intention to join the talks, a move that sparked opposition from within Japan as well as from outside, including from U.S. politicians highly critical of Japan's trade restrictions on auto exports from the United States.⁴

The EU's competitiveness-driven FTAs

Not to be left behind, the European Union has likewise pursued the bilateral free trade track quite aggressively over the last five years with its own brand of what it calls competitiveness-driven FTAs. In 2007 it launched simultaneous FTA negotiations in Asia with Korea, India, and the ASEAN regional bloc. The deal with Korea came into force in 2011, representing the EU's first new generation FTA in Asia. The negotiations with India are continuing and optimistic assessments point to contours of an emerging agreement.⁵

The negotiations with ASEAN shifted gears in 2010 when the EU adopted a more aggressive bilateral approach, setting aside for the time being the approach to the talks. Under the bilateral approach, a deal has been forged with Singapore in late 2012; negotiations are continuing rapidly with Malaysia, and new talks have been launched with Vietnam (2012) and more recently with Thailand (2013). Negotiations are also expected to be launched this year with the Philippines and Indonesia.

Trans-Atlantic partnership

Touted as a major 'game changer' in global trade, the Trans-Atlantic Trade and Investment Partnership (TTIP) is the "ambitious, comprehensive, and high-standard trade and investment agreement"⁶ being negotiated by two trade superpowers the United States and the EU. If or when the deal is concluded, the TTIP which was launched in February 2013 can become the largest trade deal in history. The potential deal is expected to boost these two crisis-laden economies to the tune of 90 billion Euros for the United States, 120 billion Euros for

the EU, and around 100 billion Euros for the rest of the world.⁷

A major goal of the deal is to address the issue of regulatory barriers to trade and investments. This goal is to be achieved through harmonization of regulations and standards, and development of rules, principles, and new modes of cooperation on issues of global concern such as intellectual property rights.

RCEP and Asian consolidation

Asian countries on the other hand are developing their own platforms even as they engage in negotiations with both the U.S. and EU. Under the banner of East Asian economic cooperation, ASEAN has spearheaded together with six other nations with which it has FTAs—China, India, Korea, Japan, Australia, and New Zealand—a comprehensive agreement. It is also pursuing the consolidation of the Regional Comprehensive Economic Partnership (RCEP), which has been described as the largest free trade bloc in the world.⁹ While the RCEP aims for progressive elimination of tariffs and non-tariff barriers, the underlying principle of the agreement is more to harmonize the existing FTAs and make them consistent with the WTO rules. Compared to TPP, the RCEP makes fewer demands for economic change.¹⁰

Another development in Asia was the launch in late 2012 of trilateral talks among China, Japan, and Korea, the three biggest economies in the region. The first working-level meeting to hammer out a deal was expected in late March in Seoul.¹¹

The move to consolidate a "fully regional economic partnership" via RCEP and

negotiations for the China-Korea-Japan FTA is Asia's response to the changing global trade dynamics.

Imposition of standards

Contrary to expectations that the economic crisis would somehow slow down FTA activity as demand declines, trade contracts, and countries adopt more cautious and inward-looking economic policies, what we have seen instead has been a more aggressive push to launch and conclude FTAs since the economic crisis. The motivations of the major players remain largely the same but have become more upfront and more political. The deals are meant to protect their competitiveness, secure jobs at home, secure much needed raw materials to fuel their own industries, to push for greater market access for their goods and services, open up investments, and protect the interest of corporations. But these agreements are equally about reforming national policies to conform to the new standards, which are viewed by some analysts as going way beyond the parameters of trade agreements. A report by the Guardian newspaper in the United Kingdom referred to the TPP for example as "an effort to use the holy grail of free trade to impose conditions and override domestic laws."¹²

In at least two main areas—the chapters on investment and intellectual property rights—the level of ambition being pushed under these new generation FTAs demands from developing countries commitments beyond their obligations under the WTO (WTO plus) and would mean a major erosion of domestic policy space.

The standard on investment being pushed under both the U.S.- and EU-led negotiations

provide for a higher level of investor protection including in the form of the controversial investor to state dispute settlement mechanism (ISDS).

The chapter on intellectual property rights is another contentious area where a high level of ambition is being pushed through the FTA talks. Consistent with their long-held position on the protection of intellectual property rights (IPR), the U.S. and EU-proposed FTAs demand commitments that go beyond those under the WTO agreement on intellectual property (WTO-TRIPS). If agreed upon under an FTA, the IPR chapter with TRIP-plus provisions will effectively delay the production of generic medicines crucial to many patients across the developing world who are seeking more affordable medicines and treatment for their life-threatening diseases.

'Like-minded' approach

These new generation FTAs are likewise changing the process of and approach to trade and investment negotiations. The U.S.-led TPP talks have put in place a 'like-minded' approach to negotiating FTAs. This approach takes an agreement on high standards of liberalization as the starting point of the talks. The nine countries that initiated the talks more or less are already on the same footing with regards to a number of important principles and concrete issues. Adopting the principle of 'living agreement', countries, along the way, can opt to join the talks under a set of pre-conditions mainly to prove adherence to the high liberalization standards. This classic 'bandwagon' approach seems to be working as more and more countries express interest to be part of the TPP talks for fear mainly of being left out and left behind. In Southeast Asia, two more countries, the Philippines and Thailand,

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have expressed serious intentions to join the TPP. The Philippines for example recently announced a 'road map' for joining the talks.¹³

A similar approach has been adopted under RCEP with its open accession scheme that will allow other members to join as long as they agree to comply with the grouping's rules and guidelines.

- 1 Outlines of the transpacific partnership agreement. USTR website. Last accessed 18 March 2013. <http://www.ustr.gov/about-us/press-office/fact-sheets/2011/november/outlines-trans-pacific-partnership-agreement>
- 2 16th Round of TPP talks end with solid progress. MY Sinchew.com. Last accessed 18 March 2013. <http://www.mysin Chew.com/node/84037?tid=37>
- 3 TPP members finish 16th round of negotiations. Report by M. Singh of Business Times Singapore. Last accessed 18 March 2013. <http://www.business times.com.sg/premium/singapore/tpp-members-finish-16th-round-negotiations-20130314>
- 4 Various Congressional Democrats Oppose Japan's TPP bid. Report by Z. Keck for The Diplomat. Last accessed 18 March 2013. <http://thediplomat.com/pacific-money/2013/03/18/various-congressional-democrats-oppose-japans-tpp-bid/>

- 5 The EU's Free Trade Agreements-Where are We? European Commission Memo. 18 February 2013. Last accessed 18 March 2013. http://europa.eu/rapid/press-release_MEMO-13-113_en.htm
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- 7 Speech by Commissioner De Gucht on TTIP at the annual Aspen Institute Conference in Prague, 10 October 2013. http://trade.ec.europa.eu/doclib/docs/2013/october/tradoc_151822.pdf
- 8 White House Fact Sheet on TTIP. <http://www.ustr.gov/about-us/press-office/fact-sheets/2013/june/wh-ttip>
- 9 Asean and Partners Launch Regional Comprehensive Partnership. Report by M. Hiebert and L. Hanlon. Center for Strategic and International Studies website. Last accessed 18 March 2013. <http://csis.org/publication/asean-and-partners-launch-regional-comprehensive-economic-partnership>
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- 12 The Pacific free trade deal that's anything but free by Dean Baker of the Guardian. <http://www.guardian.co.uk/commentisfree/2012/aug/27/pacific-free-trade-deal>
- 13 PH eager to join transpacific pact. Report by Rappler. 18 March 2013. Last accessed 18 March 2013. <http://www.rappler.com/business/economy-watch/24088-ph-trans-pacific-trade-pact>

Across the Globe: Key Social Movements Against Free Trade Agenda

Movements against free trade agreements which have played a significant role in derailing the WTO and have shown the strength of people's protests depend on alliances and networks. Free Trade Agreements have concentrated economic power and natural resources in the hands of a few, disempowered communities, destroyed biodiversity, and undermined food sovereignty, thus generating dissent among those at the losing end of the free trade agenda.

Several landmark struggles in the campaign against the WTO have been waged globally since the WTO's inception, serving as reminders that the institution has propagated and promoted an unjust and unfair system. In recent years, grassroots resistance against the WTO and free trade has continued to amplify in the global South.

Here are some of the key movements around the world against the free trade agenda over the years:

Chiapas, Mexico (1994):

On January 1, 1994, the day that the North American Free Trade Agreement (NAFTA) went into effect, the Zapatista Army of National Liberation (EZLN) launched a two-week campaign of armed clashes with the Mexican military. Their struggle later gave way to a nonviolent movement seeking land reform and indigenous rights. The EZLN used the Internet to spread creative/artistic

critiques of capitalist injustice throughout a network of international supporters. The EZLN did not seek to claim state power but to create spaces of autonomy and direct democracy. They were one of the pioneers of the anti-globalization movements.¹

The Battle in Seattle, Washington (1999):

On November 30th, 1999, the mobilization known as the N30 took place in Seattle, Washington. In the said event, protestors blocked the delegates' entrance to the WTO meetings. Students, small farmers, small businessmen, debt campaigners, church groups, students, and indigenous peoples all found a common cause in opposing neo-liberalism. Hundreds of non-governmental groups protested against the WTO which led to a serious weakening of global perception of the WTO. Seattle is proof that there was a strong opposition to neo-liberalism.²

The Battle of Prague, Czech Republic (2000):

In September 2000, the battleground of protest shifted to Europe where around 10,000 people came from all over the world, prepared to take on the IMF and the World Bank during their annual meeting. Anti-globalization protesters demonstrated and engaged in street battles at the venue

of the meeting, and “effectively seized” the initiative, as one World Bank official put it. The convention was abruptly concluded a day before its scheduled ending.³

Genoa Group of Eight Summit Protest, Italy (2001):

From July 18 to July 22, 2001, the Genoa protest drew an estimated 200,000 demonstrators who engaged in clashes with the police, resulting in the hospitalization of many of the protesters; security forces also conducted night raids. People who had been taken into custody after the raids alleged that they were severely abused by the police.⁴

This protest was also marked by the death of Carlo Giuliani, an anti-globalization protestor who was shot by a policeman claiming self-defense during the demonstrations.

Chiang Mai, Thailand (2001 & 2006):

In March 2001, hundreds of farmers and students protested outside a WTO meeting in Chiang Mai. They dumped potatoes, garlic, onions, and soybeans at the lobby of the venue to emphasize how the WTO Agreement on Agriculture had harmed them.⁵

A coalition of Thai organizations representing AIDS patients, consumers, farmers, health activists, human rights groups, and other civic organizations led the Chiang Mai protests.⁶

In January 2006, FTA Watch, a national coalition of people’s and civil society organizations formed in 2003 to oppose Thai-U.S. FTAs, mobilized outside the hotel where the talks were taking place, paving the way for the emergence of a strong and critical voice from Thailand.⁷



Delhi, India (2001, 2008 & 2009):

Prior to the Doha Ministerial, the Indian Peoples Campaign Against the WTO (IPCAWTO) in 2001 led a huge rally at Purana Qila grounds in Delhi to protest the Indian government's positions at the WTO negotiations. The formation of Indian Forum against FTAs in 2008 further strengthened the fight against FTAs. In September 2008, several representatives from trade unions, peoples' movements, and civil society organizations came together to study the critical issues involved in the EU-India FTA and eventually formed a coalition. In September 2009, the first national consultation and mobilization against FTAs was organized in New Delhi. The coalition joined the mobilization against the WTO Mini-ministerial in Delhi hosted by India to revive the WTO negotiations. On 3rd September 2009, the IPCAWTO, all leftist political parties, leftist farmers and trade unions, and other independent farmers organizations also joined in. More than 51,000 farmers from Bhartiya Kissan Union and other groups assembled in front of the Parliament risking arrest by the police. For the first time, the Indian farmers expressed their open opposition to the FTAs.⁸

Manila, Philippines (2003):

In the Philippines, the Stop the New Round Coalition, a network of various grassroots organizations, social movements, NGOs, and individuals, launched a national campaign to derail the Doha Round talks. The nation-wide campaign was a build-up to the Cancun Ministerial meeting, and in September 2003, various mass actions were undertaken. 'Globalization: Betrayal of the People!', 'GATT-WTO: the Worst Plague of All!', 'Stop the New

Round of Talks!' and 'The Philippines is not for sale!' were some of the slogans heard during that time; around 8,000 protesters marched for two kilometers in one of Manila's busiest thoroughfares.⁹

Cancun, Mexico (2003):

'WTO Kills Farmers!' was the slogan that reverberated in Cancun, Mexico in 2003 where martyr Lee Kyung Hae stood against the 5th WTO Conference and committed suicide after screaming these words. The Cancun ministerial of 2003 also was a turning point since different actions amongst peasants, fisher folk, workers, and womens' groups were held all across Asia, specifically in Thailand, the Philippines, Indonesia, and India, leading to the collapse of the Doha trade talks.

Quebec, Canada (2003):

In July 2003, hundreds of demonstrators gathered in Montreal to oppose a WTO meeting in which the "Doha Development Agenda" would be discussed. The deal agreed upon in Doha, Qatar in 2001 included everything from agricultural subsidies to foreign investment.¹⁰

'No One Is Illegal' was the rallying cry of various anti-poverty and antiwar groups.

The Battle in Hong Kong (2005):

'Hong Kong will be the WTO's Stalingrad,' was one of the slogans by the social movements from Asia, Europe and Latin America during the 6th Ministerial Conference in Hong Kong in December 2005.¹¹

To sustain the battle that had been won in Cancun, social movements from across Asia, including workers groups, mobilized in huge numbers in Hong Kong. The Wanchai March of 17 December 2005 became iconic for the fact that thousands of police in full anti-riot gear clashed with an equal number of activists led by peasants, fisherfolk and migrant workers from across Asia. The police used tear gas and truncheons, and arrested and detained hundreds of activists. A fluvial parade led by Filipino and Indonesian fisherfolk also conveyed the message about the terrible marginalization of and neglect faced by fisherfolk communities.¹²

Geneva, Switzerland (2006):

On July 28, 2006, the WTO General Council Meeting was held in Geneva amidst protests outside the venue. La Via Campesina and other organizations, paralleled by a Fluvial Parade of fisher folks, marched to the WTO. In front of the march, a giant effigy depicting Pascal Lamy's severed head was carried in a tractor, followed by the Korean Peasants League carrying a coffin symbolizing the death of the WTO. They were followed by a large delegation of La Via Campesina representing 12 countries, local farmers and activists, and international organisations and networks as Friends of the Earth International, Our World is

not for Sale, Focus on the Global South and the Geneva Coalition Against the WTO. Slogans heard from the international social movements opposed to the WTO were 'The Doha Round is dead, long live food sovereignty!' and 'The WTO is dying, let's bury the sucker!'.¹³

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- 2 <http://www.theguardian.com/world/1999/dec/05/wto-globalisation>. Last accessed on 23rd September 2013
- 3 <http://www.marxists.org/history/etol/newspaper/isj2/2001/isj2-090/bello.htm> Last accessed on 23rd September 2013
- 4 <http://www.theguardian.com/world/2008/jul/17/italy.g8> Last accessed on 21st September 2013
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Beyond Bali: Dangers Posed by a Post-Bali Economic Agenda

The WTO Director General Roberto Azevedo has openly declared that the “negotiating agenda” for the Bali Conference can extend beyond that of the Doha Round. On October 7, he told reporters in New Delhi: “Bali is in my view absolutely critical in establishing the conditions for moving forward in areas other than the deliverables we are looking for in December, not only in the Doha development agenda but also in other issues which are trade-related and also of interest to member-countries.”¹

The U.S. on the other hand has hinted on a post-Bali agenda that will include the launch of new negotiations using new approaches. In a recent speech, USTR Froman said “Bali has the potential to be a vital step towards the WTO creating something new, something that can lead to other new opportunities—to innovation in our approach to multilateral negotiations.”²

It is becoming clear that the outcome envisioned in Bali will be an agreement on the so-called Bali Package and a Bali Declaration that will map out the road ahead for the WTO and the free trade agenda beyond Bali.

What are the elements of this post-Bali Package that is being alluded to and why should people be wary of this emerging agenda?

New (and not so new) issues

Bali can introduce more issues in the WTO agenda. For the longest time the introduction

of new issues, also known as Singapore Issues (trade facilitation, competition policy, government procurement and investments), to the agenda has been resisted by developing countries. In Bali, a possible multilateral agreement on trade facilitation can pave the way not just for the other new issues to be included in the agenda but facilitate the negotiations on other issues such as:

Environmental Goods and Services –

The Doha Agenda provided the mandate for negotiations on trade in environmental goods and services. The negotiations on EGS which deal broadly with the reduction or elimination of tariff and non-tariff barriers to environmental goods and services are taking place in two separate bodies in the WTO. The environmental goods part is being discussed under the Non-Agricultural Market Access (NAMA) talks while the services part is being handled by the Special Session of the Council for Trade in Services (CTS-SS).

The OECD defines EGS as an industry “that consists of activities which produce goods and services to measure, prevent, limit, minimize or correct environmental damage to water, air and soil, as well as problems related to waste, noise and eco-systems. This includes cleaner technologies, products, and services that reduce environmental risk and minimize pollution and resource use.”³

This agenda received a big boost in 2010 when the leaders of the Asia Pacific Economic Cooperation (APEC) issued a Declaration

that contained the following statement on environmental goods and services:

*"We will increase the dissemination and utilization of environmental goods and services, reduce existing barriers and refrain from introducing new barriers to trade and investment in such goods and services, and enhance our capabilities to develop this sector, by prioritizing work related to addressing non-tariff measures on environmental goods, technology, and services."*⁴

APEC leaders subsequently firmed up their commitment and "resolved to reduce by the end of 2015 our applied tariff rates (on a list of environmental goods) to 5 percent or less, taking into account economies' circumstances, without prejudice to APEC economies' positions in the WTO. Economies will also eliminate non-tariff barriers, including local content requirements that distort environmental goods and services trade."⁵ The list of around 54 environmental goods to be liberalized by 2015 came out as Annex C of the 2012 APEC Leaders' Declaration.⁶

This agenda on liberalization of trade and investment in environmental goods and services is being pushed under the broad mantle of the green economy, in the name of addressing climate change and in pursuit of so-called sustainable development goals.

But here is the catch. Because developed countries have by and large already liberalized their market for EGS, the renewed calls for liberalization mean that the developing countries are the ones that have to make the greater commitment. This would entail not just cutting or eliminating altogether tariffs on EGS, binding greater number of products and services, elimination of non-tariff

barriers, but also reform of regulatory policies on services that promote domestic over foreign interests, which are deemed barriers to trade.

The proposals to liberalize EGS have thus been criticized by emerging countries like Brazil and India as "market access" proposals meant to push the export of products (not all necessarily environmental or climate-related goods) to developing country markets.⁷

The push for EGS is indicative of a broader agenda anchored still on a competitiveness-driven, export-oriented development model under the so-called 'green economy'.

Global value chains - Another buzz phrase being pushed in the WTO agenda is the concept of global value chains (GVC). According to a joint report from the Organization for Economic Cooperation and Development (OECD), WTO and UNCTAD that came out recently, "global value chains have become a dominant feature of world trade and investment, offering new prospects for growth, development, and jobs."⁸

The GVC perspective presents a new way of looking at globalization through the lens of global production of goods and services which has become geographically fragmented over the years. According to a joint WTO and Japan's Institute of Developing Economies (IDE-Jetro) report on GVC in East Asia, the emergence of GVC or otherwise referred to as "production sharing, vertical specialization, trade in tasks, or supply chain trade" represents a "fundamental change in the structure of world trade."⁹

The emphasis is not just that global production is now spread across countries but that each country that participates in the chain makes



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a contribution in adding value to production whether through their export of raw materials, assembly, or design, etc. As the WTO report on East Asia asserts nowadays, products are more “made in the world” than “made in a specific country.”¹⁰ The WTO has been promoting this idea through its ‘Made in the World’ initiative which is meant to “support the exchange of projects, experiences, and practical approaches in measuring and analysing trade in value added.”¹¹ Here is the pitch: Countries that are part of a common production chain should work towards easing trade restrictions, ensuring investment in technology dissemination, skills building and upgrading to ensure that all who participate can reap the benefits from trade.

New approaches

In the guise of “new and innovative approaches” to negotiations and in the name

of overcoming the stalemate in the Doha talks¹², there has been a renewed push for plurilateral agreements in the WTO.

Since 2012, upon the initiative of the United States and Australia, talks have proceeded towards a *Trade in Services Agreement* (TiSA), a stand-alone plurilateral agreement on services being negotiated by around 50 countries collectively known as “really good friends of services” group (RGFS)¹³ that aim to liberalize trade and investment in services and expand regulatory disciplines on all services sectors including public services.

According to Public Services International (PSI) “the disciplines, or treaty rules, would provide all foreign providers access to domestic markets at “no less favorable” conditions as domestic suppliers and would restrict governments’ ability to regulate, purchase, and provide services. This would essentially change the regulation of many public and

privatized or commercial services from serving the public interest to serving the profit interests of private, foreign corporations.”¹⁴

PSI outlined the core elements of TiSA: (1) liberalization in essentially all modes and sectors adopting a negative list approach as opposed to the positive list approach under the General Agreement on Trade in Services (GATS) where Members are given the leeway to specify which sectors will be covered by commitments to liberalize; (2) national treatment for foreign service providers; (3) there will be a process to multilateralize the agreement by allowing other countries to sign-on to the agreement; (4) strong enforceability mechanism which is mostly likely to include a provision on investor to state dispute settlement mechanism; and (5) ‘standstill clause’ against new “restrictive” regulations and a ‘ratchet clause’ that automatically binds autonomous elimination of regulatory measure in the future.

While the TiSA is clearly a plurilateral agreement, there are questions whether this should remain outside or should it become in the near future a multilateral agreement under the WTO. A serious concern at the moment among countries pushing TiSA is the absence of emerging economies Brazil, China, India and the ASEAN countries in the talks. China has already expressed its intentions to join the TiSA negotiations but it is still unclear whether China will be accepted.¹⁵ There are concerns that China would make demands that can effectively lower the level of ambition in the talks, similar to their actions in the Information Technology Agreement (ITA) talks early this year.¹⁶ The European Commission (EC) for example thinks it “not desirable that all those countries (that are not currently part of the TiSA talks) would reap the benefits of the

possible future agreement without in turn having to contribute to it and to be bound by its rules.” The EC is therefore pushing that “the automatic *multilateralization* of the agreement based on the MFN principle should be temporarily pushed back as long as there is no critical mass of WTO members joining the agreement.”¹⁷

Higher standards

A new element in multilateral trade negotiations has been the launch of so-called new generation FTAs (see section on *Second Front: New Generation FTAs*) which are highly ambitious and comprehensive trade and investment agreements like the TPP, the TTIP, and the EU FTAs in Canada, Korea, and Singapore, among others. These ambitious economic agreements are pushing the boundaries of commitments to trade and investment liberalization beyond those agreed under the WTO or even in older preferential trade agreements. WTO plus standards are apparent in the areas of intellectual property rights (IPR) and investments, which will be a threat to people’s rights and welfare, and can lead to serious erosion of space for crafting policy that will support broader development goals and objectives.

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- 11 WTO website http://www.wto.org/english/res_e/status_e/miwi_e/miwi_e.htm.
- 12 Briefing paper prepared by the European Commission on TiSA. http://trade.ec.europa.eu/doclib/docs/2013/june/tradoc_151374.pdf
- 13 RGFS group includes Australia, Canada, Chile, Chinese Taipei (Taiwan), Colombia, Costa Rica, European Union (28), Hong Kong, Iceland, Israel, Japan, Liechtenstein, Mexico, New Zealand, Norway, Pakistan, Panama, Paraguay, Peru, Republic of Korea, Switzerland, Turkey, and the United States.
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Reject the WTO; Reclaim Life!

While the majority of the world's people struggle to cope with deepening economic, food, and climate crises, efforts to breathe new life into the moribund Doha Development Round (DDR) of negotiations in the WTO are both misdirected and dangerous. Floundering as it may be at present, the WTO remains a real threat to the well-being of the world's peoples and environments, especially if governments uphold the lie that the WTO will provide a way out of the current crises and enable development.

The establishment of the WTO in 1995 was heralded by the world's economic elites as a great triumph of capitalism in the post Cold War era whereby corporations could go global without barriers and nothing could stop the movement of capital. But the 'success' of the WTO has proved to be its own undoing. The development model that the WTO champions—rapid unfettered economic growth through trade and investment liberalization—is widely recognized as the underlying cause of chronic hunger, poverty, inequality, and anthropomorphic climate change. As global trade has expanded over the past decades, so also have hunger, unemployment, food insecurity, environmental destruction, debt, impoverishment and social dislocation, especially in developing countries. Because of economic and financial globalization, the world's peoples, wealth and communities have been trapped into a vicious present and a bleak future.

Although developing countries constitute the majority of the WTO's members and account for at least 80 percent of the world's population, the institution has repeatedly shown itself to

be incapable of responding to their diverse conditions and priorities. Founded on power imbalances between countries and dominated in its operations by the interests of a handful of economic powers, the WTO does not offer a fair, rules-based multilateral trading system. Its Dispute Settlement Mechanism presents a spectre of unjust punitive action against governments that prioritize the needs and well-being of people over corporations. Decision-making in the WTO is based on a murky, non-transparent system of 'consensus' that has been systematically manipulated by its wealthy members to render it coercive.

But surprisingly, no developing country government is willing to point out that there is no development in the DDR and that the WTO is not a development institution. Development requires cooperation and the WTO regime is based on competition in which, the economy, knowledge, society, and life itself are viewed as sources of tradable commodities. Food security, decent employment, good health, environmental protection, and essential services are treated as deviations for which special provisions need to be carved out from the agreements under negotiation. But when stacked against the mountain of 'usual' WTO rules, these provisions prove to be limited, inadequate and ineffective.

Reclaiming democracy and autonomy

The WTO regime has expanded well beyond "the global rules of trade between nations"¹ and pervaded official decision-making

about every crucial area of our lives." WTO agreements determine how food, industrial goods, knowledge and technology are to be produced, distributed and priced; who can produce under what conditions and with what supports; who owns the potential for life stored in seeds, the prices we pay for life-saving drugs and healthcare; what services our societies have access to, under what conditions and at what prices; what governments can regulate and how they can regulate; and so on. In addition to the huge loss of national sovereignty is the loss by citizens of democratic control and oversight over economies, societies and lives. But most governments seem more inclined to use their sovereign powers to uphold the interests of their corporations and/or economic elites, rather than defend the interests of majority of their citizens.

What governments in the WTO have not done, people in different parts of the world are doing. The dysfunction and dangers of global capitalism and the WTO have long been evident to small-scale food producers, workers, civil society organisations, academics, elected officials and local entrepreneurs, who have joined forces to protect their food systems, jobs, environments, communities and political processes. They have educated themselves and others, and built popular resistance to the WTO, global capitalism, neoliberalism and corporate hegemony that are multi-level, cross-sectoral, intergenerational, knowledgeable and strategic.

Nurturing and building alternatives to the dominant financial and economic systems are crucial elements of this growing popular resistance. Farmers' and workers' organizations, students and youth, indigenous communities, and women's and other citizen's groups have realized that they cannot trust their governments to adequately address the crises the world is facing, nor can they wait for global

institutions to change. They themselves must become directly involved in identifying and implementing solutions, and in the political work to ensure that solutions are systemic, multi-level, democratic, sustainable and just. As expressed by Jayati Ghosh (2009)²:

"The comprehensive change has to be based on much greater imagination than has been shown so far, certainly by policymakers anywhere in the world. And, of course, for policymakers to show imagination, they have to be pushed to it by the society, so that means all of us to have to be much more aware of



Derailers' Guide

to the WTO and Free Trade Regime

genuine alternatives that do exist and the possibility of creating economies that are more equal, that do provide greater access, that do unleash the creative capacities of everyone in this society, not just a select few, and that do operate in a fundamentally more democratic way both domestically and internationally."

Reclaiming democratic rights and spaces, and the capacities to recast democracy from an elite to a popular endeavour that goes beyond vote casting, have been central to peoples' movements for change. Fed up with secretive dealings among governments and corporations, people have demanded—and in many places have won—the Right to Information and public participation in law and policy making. Two narratives of comprehensive change that encapsulate diverse efforts by peoples to build equal and democratic societies, and challenge corporate driven globalization, neoliberalism

and global capitalism, are Food Sovereignty and Deglobalization.

Reclaiming the right to food

Food Sovereignty was launched by La Via Campesina at the World Food Summit in 1996. Food sovereignty claims for peoples the right to healthy, good quality, and culturally appropriate food, and the right to define their own food and agriculture systems. Food sovereignty promotes food self-sufficiency wherein domestic food needs must be met primarily through production by domestic, small scale food producers in rural and urban areas. It empowers peasants and family farmer-driven agriculture, artisanal fishing, pastoralist-led grazing and workers' collectives. Food sovereignty emphasizes ecologically



appropriate production, distribution and consumption, social-economic justice, and local food systems as ways to tackle hunger and poverty, and ensure food security for all peoples. It advocates trade and investment that serve the collective aspirations of society, and prioritizes local and national economies and markets. It promotes community control of productive resources; agrarian reform and tenure security for small-scale producers; agro-ecology; biodiversity; local knowledge; the rights of peasants, women, indigenous peoples and workers; social protection and climate justice. It is as much a space of resistance to neoliberalism, free market capitalism, destructive trade and investment, as it is a space for building democratic food and economic systems, and just and sustainable futures.

Food sovereignty has served as a bridge between rural and urban communities and across different constituencies. In Brazil, the landless workers' movement, *Movimento dos Trabalhadores Rurais Sem Terra* (MST), provides healthy food grown in MST settlements to the poor in many urban areas. Community supported agriculture (CSA) programs in Europe and North America link food producers and consumers through which producers are guaranteed fair prices, markets, and regular incomes while consumers are guaranteed fresh and healthy food grown in ecologically sustainable conditions. In many cities in Asia, poor families are turning to urban agriculture to ensure food self-sufficiency and access to fresh, healthy food. And in so doing, they are supporting a process of 're-peasantization' and disengaging with a dysfunctional food market.

In the Colombian capital Bogotá, peasant organizations have allied with nuns and researchers promoting agro-ecological farming to win a good public policy that

promote peasant families' markets. In the mid-2000s, this rural-urban coalition pressured the Bogota city government to open and support 10 new peasant farmers' markets in which peasants could sell their produce directly to urban consumers. The markets were very successful and by 2010, some 2,500 peasant families were doing annual business of more than US\$ 2 million. These markets have served multiple goals.

First, the markets are in neighborhoods of all social classes and have agreed upon prices that are lower than supermarket prices, yet are very profitable for farmers because of the lack of middlemen. The poor are able to purchase good quality food, challenging the myth that industrially produced "cheap food" is needed to feed the poor. Second, city dwellers now view peasants as valued and trusted producers of healthy and affordable food, and do not stigmatize them as rural subversives. Third, seminars on public policy are organized for the peasants by the rural-urban coalition, which have helped them demand and win supportive policies in their own villages and townships. Fourth, the markets have helped promote a general transition from industrial to ecological farming. All ecological farmers sell under a green tent, with an agreement that their prices will be no higher than those of the conventional farmers in the other tents. Because of the popularity of the green tent produce, conventional farmers are becoming interested in agro-ecology and learning about it from other peasants.³

The Sisters Garden Plot (SGP) initiative in South Korea illustrates well the comprehensive potential of food sovereignty. Started by the Korean Women's Peasant Association (KWPA) and the Korean National Women's Alliance (KNWA) in 2008, the SGP has built community cooperatives in six provinces and 14 cities,

linking rural producers and urban consumers. The aims of the cooperatives are to practice and support agro-ecological food production and provide consumers with healthy food grown from native seeds. KWPA is a leading member of LVC's Biodiversity Commission. The SGP gardens were inspired by a campaign launched by the KWPA in 2007 to protect and preserve native seeds. In 2008, the KWPA launched a project called "Guardians of Food Sovereignty," in collaboration with the KWNA, whose members include women workers, women students, and community women's associations. Project participants studied concepts and principles of food sovereignty with consumers, participated in the KWPA native seeds campaign, and started implementing principles of food sovereignty.⁴

The SGP fosters collaboration between rural food producers and urban consumers to build, protect, and expand community food systems and local autonomy in the face of Korea's increased globalization through the WTO and other free trade and investment agreements. Agricultural liberalization has rendered the Korean food market vulnerable to international grain prices, greatly increased food insecurity for the majority, and pitted Korean peasants against peasants in other countries and American agribusiness corporations. Over half of the approximately three million farmers in Korea are women and women all over the country take primary responsibility to ensure household food security. Some women participating in the SGP have been elected to local government, started centers that offer free education, and are spreading awareness about community-supported agriculture in Korea. For the KWPA, the SGP is a clear example of empowerment through food sovereignty whereby women farmers are protecting their livelihoods, food, and health through sustainable cooperatives.

Reclaiming control over the economy

Deglobalization was first publicly articulated in 2000 by Dr. Walden Bello and Focus on the Global South, and proposed two complementary strategies to challenge corporate driven globalization and neoliberalism: dismantling the system of production, distribution, consumption, and governance that favors global capitalism (deconstruction) and simultaneously reviving, rebuilding and establishing new systems based on genuine democracy and the diversity of nature, peoples, and societies (reconstruction). Deglobalization does not call for the abolition of markets, trade or investment, but for a drastic reorientation of the economy at multiple levels so that the economy and market relations are re-embedded in society, and "social relations reflect the subordination of market efficiency to the higher values of community, solidarity, and equality."⁵

The deglobalization perspective is perhaps best expressed through a set of broad principles which include: de-emphasizing growth and emphasizing the quality of life, equity, and the environment; re-orienting production for domestic rather than export markets; subsidiarity, i.e., situating production at as local levels as possible; using industrial policies to revitalize and strengthen the manufacturing sector; using trade policies to protect local economies from destruction by corporate-subsidized commodities; implementing land and income redistribution measures to create vibrant domestic markets and to generate financial resources for investment; gender equity; and genuine democratization of policy and decision-making.⁶

Concrete articulation of the deglobalization principles depend upon local/national contexts, and the values and strategic choices of different

societies. The overall goal is to reconstruct the economy to be an ethical, moral, and political economy, and achieve greater community, equity, and justice. Evidence shows that locally planned and implemented initiatives have tremendous maneuverability and room for creativity, in which organized groups can ensure everyday survival, defend, and secure rights and entitlements against those seeking to deny them, and foster systems that can be scaled up as alternatives to the dominant economic paradigm.

For example, in the city of Calcutta in India, hawkers organized by the National Hawkers Federation buy their vegetables, food, and other goods directly from small scale producers and sell directly to consumers, many of whom are urban poor. They thus support a localized poor peoples' economy where producers, distributors, and consumers are accountable to

one another. In 2012, after years of organizing, mobilizing, and advocacy, the Federation won the passage of the Street Vendors (Protection of Livelihood and Regulation of Street Vending) Bill 2012 in the national Parliament. The success of this effort has inspired other movements of the poor in India to organize and demand housing, social protection, fair wages, employment, health care, etc.

Similarly, in the Philippines, Alter Trade Negros, an alternative and fair trade initiative, defines its mission as commitment to "facilitate, develop, and expand a trading system that will contribute to increasing self-reliance and independence of marginalized organized producers, and will provide consumers with competitive quality products." The idea of an alternative trading system or people-to-people trade was an initiative of the Negros and Japanese consumers, environmental activists,



and organic agriculture movements that dates back to 1987. The first commodity to be traded by Alter Trade was *muscovado* sugar, which is deemed as poor man's sugar. Alter Trade adopted the brand "Mascabado," meaning ordinary people's sugar to contrast with the big landlord and multinational milling companies' sugar. For more than two decades now, Alter Trade Negros continues to buy sugar from small farmers and agrarian reform beneficiaries and practices people-to-people trade. It is also creating a strong movement in the Philippines that promotes not only a fair trading system but also defends small-scale agriculture.

Deglobalization offers a framework to rethink the economy as a 'commons'. J.K. Gibson-Graham has documented how migrant remittances and savings are used to build community enterprises in the Philippines:

The Migrant Savings for Alternative Investments (MSAI) programme has been conceived by UnladKabayan, a Philippine-based NGO working with migrants, in close collaboration with the Hong Kong-based Asian Migrant Centre (AMC), a partner NGO that, among any other things, helps organize overseas Filipino workers (OFWs) to form savings groups. UnladKabayan and AMC provide training in business management and entrepreneurial skills and under their tutelage migrant savers have been able to start enterprises in a variety of communities in the Philippines. These businesses include organic chicken farming, agri-vet supplies, rice milling, coconut coir production and processing, and value-added food production, for example noodles, ubi (yam) powder and confectionery. The hope is that such enterprises will in future help obviate the need for continued cyclical out-migration. (p. 8)⁷

According to Gibson-Graham, one of the main interventions of the AMC and

UnladKabayan is to change the view of "migrant workers as mere powerless victims of capitalist globalization, in which a greedy and exploitative origin state and a calculating host state turn a blind eye to violations of the human rights of non-nationals." The change in perspective also transforms migrants into investors in community-based enterprises and contributors to local development in their own communities; a practice which clearly opposes capitalist globalization and instead shows migrant workers as active agents of change.

Reclaiming development and well-being

Deglobalization and food sovereignty are complementary "meta-narratives" of resistance and change that challenge the hegemony of the "one-size-fits-all" development model promoted by both neoliberalism and outdated bureaucratic state socialism. They inspire a re-imagining of 'development' as a process rooted in the non-negotiable right to self-determination of all peoples. Development strategies determine how the resources of a nation are used, how its citizens are protected and their potential enhanced, and how its diverse communities and peoples progress. They must therefore contribute positively to the wellbeing, aspirations, and needs of peoples rather than enslave them to failed formulas.

It is important to remember that people and communities have lived, worked, produced, exchanged, traded and consumed long before the WTO came into existence. Alternatives to the WTO and global capitalism exist all over the world, but are being worn down by the onslaught of recurring economic,

financial, environmental, and social crises. The WTO system suppresses the emergence and expansion of creative forces, systems, and processes that are urgently needed to address the challenges of our times in genuinely democratic, just and sustainable ways, within the carrying capacity of our planet. Under the WTO, trade and investment will never be vehicles to strengthen domestic capacities and foster wellbeing in developing countries, but instead will drain our resources to feed markets over which we have no control.

In order to reclaim development, wellbeing, autonomy, and life, we must reject the WTO.

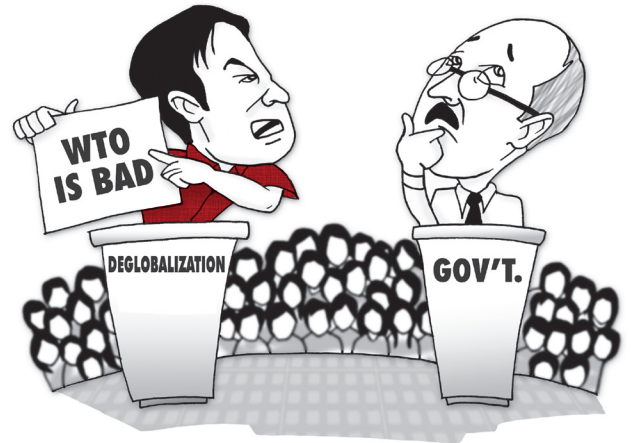
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What We Can Do to End the WTO

E

ENGAGE our governments in public debates on the WTO and Free Trade Agenda. Push for a national assessment of our country's membership in the WTO and a review of Bilateral Free Trade and Investment Agreements.

EDUCATE the public on the history of the WTO and Doha Round Negotiations, highlighting the WTO's record of eroding national sovereignty, damaging the environment, and undermining people's rights.



N

Build **NETWORKS** and alliances among different movements and campaigns resisting and challenging the WTO and Free Trade Regime and working to build alternative systems.

Sign the Gerak Lawan Call to Action to END THE WTO
<http://smaa.asia/action-plan-and-roadmap-to-bali/>

D

DEMONSTRATE your opposition to the WTO and FTAs by organizing actions and mobilizations in your place during the Global Day of Action against the WTO on 3 December 2013.

Send a **DELEGATION** to Bali to participate in actions inside and outside the WTO.



W

WORK to support alternatives to the WTO and Free Trade Regime. Strengthen linkages among peoples and across movements to develop a system of trade that promotes people's welfare and nurtures the environment.

WORK with progressive parliamentarians to put in place policies and laws that promote economic justice, and strengthen people's rights, economic welfare and justice.

T

Demand **TRANSPARENCY** and push for democratization of trade and investment policy-making. Maximize and defend the spaces available for peoples' participation in economic governance. Push for freedom of information legislation. Challenge the power of TNCs. Push for greater regulation of investments and mechanisms to exact corporate accountability.



O

ORGANIZE and continue to strengthen networks and peoples' platforms resisting the WTO and FTAs.

Make **ONLINE PETITIONS**. Spread the word. Maximize the power of social media to reach out to others and pressure governments across the globe.



Focus on the Global South was established in 1995 to challenge neoliberalism, militarism and corporate-driven globalization while strengthening just and equitable alternatives. We work in solidarity with the Global South—the great majority of humanity that is marginalized and dispossessed by globalization—believing that progressive social change and Global South solidarity are imperative if the needs and aspirations of oppressed peoples, particularly in Asia, Latin America and Africa, are to be met.

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