

Groups Offer Alternative to WTO's Trade Liberalisation Policies: Plan needed to Protect People's Food Sovereignty

Agriculture negotiations in the World Trade Organisation (WTO) continue with little change in sight, with both developed and developing countries apparently willing to sacrifice the rights of the majority of their populations to food sovereignty and decent employment in return for increased access to international markets for their main exporters. Despite skirmishes among major trading countries and various developing country groupings on specific targets and numbers, none of the WTO members seem willing to accept the fact that the fundamental problem lies in the very framework of the Agreement on Agriculture (AoA). Through disciplines for its three "pillars" (market access, domestic supports and export subsidies), the AoA furthers and entrenches monopoly production in the hands of the world's largest agriculture producers and exporters.

The United States (US) and European Union (EU) Repeat the Same Old Tune

Since the collapse of the WTO Ministerial Meeting in Cancun, the US and EU have attempted to revive stalled trade talks by invoking the so-called Doha Development Agenda. However, they have not come up with any new proposals that seriously address the concerns raised by developing countries in Cancun regarding agriculture trade, such as the EU-US formula for tariff reduction and their unwillingness to cut export subsidies. Nor have the trade majors made any attempt to address the concerns of the thousands of farmers who protested in Cancun, thus showing complete indifference to the reasons that led Mr. Lee, a Korean farmer, to sacrifice his life in protest.

The US and EU are placing enormous pressure on developing countries to agree to their framework for negotiations, which they hope will be adopted in the General Council Meeting in July 2004. This Framework would not contain firm commitments from the US and EU on reductions in their levels of direct and indirect export subsidies, but would require developing countries to agree on important concessions in the areas of trade in non agricultural goods and at least one of the four issues called the "Singapore Issues,"¹ as well as deep tariff cuts in agriculture. In a recent letter to the G-90² (9 May, 2004), the EU Trade Commissioner Pascal Lamy and Agriculture Commissioner Franz Fischler stated their readiness to eliminate export subsidies if their negotiating conditions are met. By directing their proposal towards the G 90, they aim to weaken the solidarity of developing countries to resist new attempts to further pry open their markets. Such a framework will be especially detrimental to the interests of people in developing countries and make them lose whatever ground they gained with the collapse of the Cancun Ministerial Meeting.

Formalising Agriculture Trade Distortion: The Paris Mini-Ministerial

On 14 May, a number of countries met on the sidelines of the Organisation for Economic Cooperation and Development (OECD) Meeting in Paris in a Mini Ministerial Meeting. These included: Argentina, Australia, Bangladesh, Botswana, Brazil, Canada, Chile, China, Costa Rica, the EU, Egypt, Guyana, Hong Kong, Iceland, India, Indonesia, Japan, Kenya, Malaysia,

¹ Also known as the New Issues, the Singapore Issues include trade facilitation, competition, investment and transparency in government procurement.

² The G 90 includes 90 countries from the Africa, Least Developing Countries (LDC) and Africa-Caribbean-Pacific (ACP) groups; the G 90 does not exist as a category in the WTO.

Mauritius, Mexico, New Zealand, Norway, Pakistan, Singapore, South Africa, South Korea, Switzerland, and the United States.

From the results of this Mini-Ministerial, it is now clearer than ever that a July framework for negotiations will *not* correct the current trade distortions endorsed by the unfair AoA rules, but instead, will accentuate them.

In Paris, the US is reported to have obtained commitments from other WTO members to re-categorise agricultural income support measures so as to exclude them from production-limiting obligations and other disciplines that would otherwise apply to these supports. These income supports will mainly benefit the largest agriculture producers and perpetuate unsustainable, high input, export oriented agriculture and dumping, as no production supply management schemes are in place. On its part, the EU was also able to secure agreement among the countries to maintain a high level of supports that will go mainly to its largest corporate producers and exporters, again, without being forced to shift to sustainable and environmentally friendly farming practices and limit production in order to avoid dumping.

The US and EU are looking to drastically open up the markets of the developing world by demanding the elimination of tariffs and other measures, especially those of the bigger countries such as China, India, Brazil, Argentina and South Africa. Simultaneously, they will prop up their own exporters with massive public supports and refuse to accept any supply management schemes to ensure equitable terms of trade for developing nations.

The G20³ rejected the US-EU proposals for tariff reduction in the Paris Mini-Ministerial. However, the G 20 has developed its own proposal for market access, which is also likely to require drastic tariff cuts even for developing countries. Although the G 20 originally emerged as a powerful political force challenging the US and EU and exposing the unequal power relations in the WTO, with regards to policy, it also adheres to a position on agriculture that promotes large agribusiness and export-led production at the sacrifice of sustainable, peasant based agriculture and food sovereignty. By sticking to its narrow agenda on agriculture liberalisation, the G 20 will miss a historic opportunity to articulate alternative trade policies for developing countries.

Food Sovereignty over Trade

If a framework for negotiations is reached in July under current conditions, it will endorse more distortions and dumping in agricultural trade and herald a victory for corporate interests over the world's people, especially those in developing countries. What is urgently needed now is not haggling over market shares in exchange for shifts in supports and subsidies, but fundamental change in the very direction of the debate on agriculture and trade. We urge governments to take up this debate outside the WTO and use international fora such as the United Nations Conference on Trade and Development (UNCTAD), the Food and Agriculture Organisation (FAO) and the United Nations Environment Programme (UNEP) to initiate this change.

The debate in agriculture must centre on peoples' food sovereignty rather than trade. Agriculture is the main source of employment for the majority of the world's people, especially in developing countries. It cannot be held captive to the profit making interests of a minority.

³ The G 20 is a group of developing countries led by Brazil, China, India and South Africa, that came together in early 2003 to challenge the negotiating positions of the US and EU, especially in agriculture.

Government interventions are crucial to ensure food security, decent and dignified employment, health, and respect for the environment. Interventions must ensure:

- Access of peasants, small-scale farmers and fishers to the means of production, such as land, seed, water, credit and technology.
- Control of imports in order to stabilise internal prices to levels that cover the costs of production.
- Control of production (i.e. supply management) in order to avoid over-production and dumping. Supply management strategies should be set up in the major exporting countries in both, the North and the South to curb over-production.
- International commodity agreements and complementary domestic measures to control supply and guarantee fair prices to peasant producers for export products such as coffee, cotton, etc. Price enhancement measures should first of all benefit small farmers and not traders, and support agricultural diversification rather than the consolidation of corporate owned monocultures.
- Public assistance for the development of peasant production and marketing, and sustainable and environmentally friendly farming practices to build strong and robust local and national economies that can withstand the shocks of globalised finance and trade. Public support must not be used to generate dumping, or to perpetuate unsustainable, high input, export oriented agriculture. Also domestic support schemes for small producers should be combined with supply management schemes in the event that production exceeds domestic demand in order to avoid dumping. Exporting countries must not be allowed to hide export subsidies behind domestic support schemes that in the end benefit the largest producers and exporters, and stimulate over-production for export.
- Organisation and strengthening of domestic markets to give local peasant producers-- women and men--full access to these markets.

Current negotiations in the WTO are leading the world towards false choices. While it is clear that developing countries are in an unequal and disadvantaged negotiating position compared to the rich, developed countries, current proposals by developing countries to redress these power imbalances will not protect small farmers and fishers, workers, and economically vulnerable communities in their countries.

- The advance of current WTO negotiations and further talks on new issues must be halted; negotiations that seek greater liberalisation of agricultural trade in the framework of the AoA must stop.
- The pressure especially on developing countries to lower tariffs must end; developing countries should be able to increase tariffs at least to the same level that developed countries subsidise their production and reinstate Quantitative Restrictions (QRs) in order to protect their small, domestic producers.
- The obligation of minimal market access (i.e., the obligation of countries to accept imports up to 5% of internal consumption) and all other clauses regarding obligatory access to markets must be eliminated.
- The “Singapore Issues” must be removed from the ambit of the WTO.
- Current discussions related to plurilateral agreements on investment and competition (two of the “Singapore issues) must be halted. Such agreements will be taken over by large agribusiness investors from outside, and marginalise small domestic producers even further.
- The system of domestic supports laid out in the AoA must be urgently restructured. While every country should have the right to use domestic supports to defend food sovereignty, the EU’s and US’ use of the AoA “box system” subsidises agribusiness over peasant and family farmers, supports high-input and environmentally damaging agriculture, and perpetuates dumping and export interests rather than defends food sovereignty.

- All forms of direct and indirect export subsidisation should be eliminated. The EU and the US must make firm commitments on a specific end date for all export subsidies without any conditions. The EU must especially stop export support on sugar, dairy and beef. The US must stop aggressive support of cereals and corn export. Future reform of the US Farm Bill and EU Common Agricultural policy (CAP) should shift European and US agriculture away from export orientation and avoid over-production.
- The US' and EU's bullying tactics to ensure control for their multinational corporations world wide over agriculture and production must stop.

Governments must take immediate measures to remove food and agriculture from the WTO's control. Food and agriculture must not be subject to horse-trading. Multilateral rules promoting food sovereignty should be located in a more appropriate alternative multilateral framework that ensures:

- The ban of any form of public support if used to export at prices under the costs of production, including export subsidies, green box direct payments linked with low internal farm prices, or other similar instruments.
- The right to protect domestic food production against low priced imports through the application of tariffs and import quotas. It is a basic right to protect and develop food production for domestic needs. There is no "right to export." Food should only be exported if there is a justified demand and must not destroy domestic food production.
- A legal international instrument to curb dumping. At the international level, price control and supply management mechanisms (as in the former UNCTAD commodity agreements) must be reinstated. This would ensure that countries can maintain internal price levels that cover the costs of production and guarantee that small farmers and peasants are paid a fair price for their work. Coupled with genuine agrarian reform, this is especially crucial in developing countries to reduce poverty and ensure secure livelihoods for landless people.

Related statements can be viewed at the following sites:

Peoples' Food Sovereignty

English: http://www.peoplesfoodsovereignty.org/statements/new%20statement/statement_01.htm

Spanish: http://www.peoplesfoodsovereignty.org/statements/state_wto_agri_sp/statement_01.htm

People's Food Sovereignty as Alternative to US/EU and G20 positions:

English: <http://www.peoplesfoodsovereignty.org/statements/new/12-a.htm>

Spanish: <http://www.peoplesfoodsovereignty.org/statements/new/13-a.htm>

Agriculture Negotiations at the World Trade Organization

English version: <http://www.peoplesfoodsovereignty.org/statements/new/16.htm>

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Accion por la Biodiversidad, Argentina

Alliance of Progressive Labor (APL), Philippines

Amigos de la Tierra de America Latina y Caribe (ATALC) - FoE Latin America & Caribbean

Asia Pacific Network on Food Sovereignty (APNFS)

ATTAC, Japan
Center for the Study of the Americas (CENSA), USA
CENSAT AGUA VIVA - Amigos de la Tierra Colombia
Central de Trabajadores Argentinos (CTA)/Asentamiento ExSuchard, Flores, Argentina
Centro de Estudios Internacionales, Nicaragua
Chile Sustentable, Chile
Collectif Stratégies Alimentaires, Belgium
Encuentro Popular, Costa Rica
Focus on the Global South, India, Thailand and Philippines
Friends of the Earth England, Wales and Northern Ireland
Friends of the Earth International
Friends of the Earth, Finland
Fundacion Sociedades Sustentables, Chile
Fundacion Solon, Bolivia
IBON, Philippines
Institute for Agriculture and Trade Policy, IATP, USA
Institute for Global Justice, Indonesia
Integrated Rural Development Foundation (IRDF), Philippines
International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied
Workers' Associations (IUF)
La Via Campesina
MADUR (Movimiento Agropecuario del Uruguay), Uruguay
Pesticide Action Network Asia and the Pacific (PANAP), Malaysia
PKMP, Philippines
Public Citizen, USA
Redes – FoE, Uruguay
RENACE (Rede Nacional de Accion Ecologica), Chile
Sobrevivencia – FoE, Paraguay
The Institute for Food and Development Policy (Food First), USA
The Oakland Institute, USA
Transnational Institute, The Netherlands
WTO Watch Group, Pakistan