

US Returns Empty-Handed from FTAA Talks in Quito

By Victor Menotti, International Forum on Globalization (IFG)

The United States Trade Representative (USTR) is declaring total victory at the just-concluded ministerial meeting in Quito to establish a Free Trade Area of the Americas (www.ustr.gov/new/ftaa-quito-seven.pdf).

But a closer examination of its so-called "seven key objectives" for Quito reveals that the forces of corporate globalization gained very little, if anything. Nearly all of the "accomplishments" are already-agreed-to procedures and schedules for the negotiations. Others are mere proposals that must be fought out in national debates. Some are even bows to mounting pressure from the hemisphere's civil society, which filled the streets of Quito in opposition to FTAA.

What USTR does not explain is the stiff opposition it faced from Latin American governments, who have seen their economies spiral downward under the experiment of free trade, and felt an inevitable backlash from their populations who are rejecting further liberalization of their economies. Best known is the Brazilian people's recent election of Lula, who openly campaigned against FTAA.

USTR failed to establish even provisional agreements among trade ministers on the controversial issues of liberalizing investment or services, strengthening corporate protections for intellectual property, or lowering export subsidies for agriculture, which are the real sticking points in FTAA. Anticipating great opposition in Quito, USTR head Ambassador Robert Zoellick set low expectations and is now trying to hail them as victories for free trade. Civil society in the Americas should read USTR's "Trade Facts" as a clear sign that we are winning!

Below are USTR's "seven key objectives" for Quito, followed by an explanation of what they truly mean:

1. Launched Hemispheric Cooperation Program (HCP)

Zoellick's announcement is simply a recasting of President George W. Bush's proposed Millennium Challenge Account (MCA), which he first floated at the UN Financing for Development conference last year in Monterey, Mexico. If President Bush can convince Congress to give him the money (a fight which civil society must be heard in this debate), the US National Security Council will oversee the disbursement of MCA/HCP funds to poor countries so that they can "increase their capacity" to participate in trade talks. HCP means that US taxpayers will foot the bill for helping the hemisphere's poorest nations to better understand the terms by which the FTAA will dismantle their economies. USTR perceives Latin America's rejection of free trade as a misunderstanding of its true benefits. MCA/HCP aims to "correct" the perception so that the free trade agenda can move forward.

2. Energized Market Access Negotiations.

The so-called energy came when trade ministers "confirmed a detailed schedule for exchanging offers and requests." This negotiating schedule was generally understood from earlier meetings and was only reaffirmed in Quito. Regardless, negotiations will be complicated by some nations' rightful unwillingness to lower their tariffs at a time when the US is raising its own.

3. Assumed - along with Brazil - the chairmanship of FTAA.

Five years ago, the US and Brazil were assigned to "assume the chairmanship" of the FTAA for the final push before the deadline in 2005. That's because they are the hemisphere's two main powers and will

have the biggest differences between them in negotiation positions to be resolved. Differences between the two have been the main obstacle to finalizing FTAA. Their "assuming" the responsibly simply means its come down to crunch time in the negotiations.

4. Named strong chairs for FTAA Negotiating Groups and Committees.

Another already-agreed-to measure. While the appointment of key people on certain committees is designed to expedite negotiations, failure to do so would have signaled a complete collapse of the FTAA process.

5. Released second draft of FTAA text.

Only under intense pressure from civil society throughout the hemisphere did trade ministers relent to making public the current draft text of FTAA. If true openness in the negotiating process had been an objective of USTR's, they would have incorporated input they have been receiving from civil society and encouraged other governments to do the same. The only "public hearing" on FTAA held in Washington, DC by the USTR was announced with only ten days advance notice, making it practically impossible for any meaningful public participation.

6. Consulted with business community.

Consulting with business is an every day activity for USTR, which has an elaborate bureaucracy of business advisors:www.ustr.gov/outreach/advise.shtml. It is not clear why USTR would project what is their normal routine as an "accomplished objective" other than the fact that they have nothing else to show as a sign of success.

7. Consulted with civil society representatives.

With tens of thousands of protesters shutting down the country and its capital Quito, government delegations could not avoid facing civil society, even though USTR led the effort to prevent any face to face meetings. People who tried to present USTR with recommendations, but were turned away repeatedly, sometimes violently (see www.indymedia.org). Ambassador Zoellick finally agreed when Ecuadorian security forces began siding with the protesters in their demand for a meeting with ministers. For the whole, incredible story on why groups in Quito denouncing the consultation process with civil society, see: <http://www.foodfirst.org/progs/global/trade/quito2002/2002-11-01-update.php>

In conclusion, USTR's "Quito consensus" was meaningless, and only confirms the growing power of peoples' movements who are becoming more informed and more mobilized around confronting global free trade.

Inside US Trade reports that "Trade ministers of the Western Hemisphere have agreed to negotiating principles that virtually ensure that talks on liberalizing agriculture in a Free Trade Area of the Americas will stagnate over the next year, informed sources said, as countries linked their willingness to make agricultural concessions in the FTAA to progress in World Trade Organization talks to cut agriculture subsidies." WTO, they say, is where a breakthrough will emerge because it's the global body that involves other countries (Japan, Europe, India, China) whose participation is necessary for any "real deal" that addresses the complexities of export subsidies, market access, anti-dumping, and quantitative restrictions. The thrust toward WTO does NOT imply that civil society organizing around FTAA should cease. Indeed, we must build on our efforts to reorient organizing energy toward the fight when WTO meets September 2003. So, see you in Cancun!

