



INSTITUTE
for
AGRICULTURE
and
TRADE POLICY

RENDERING RIO MOOT: TRADE POLICY AT THE EARTH SUMMIT

THE UNCED PAPERS OF
THE INSTITUTE FOR AGRICULTURE AND TRADE POLICY
FEBRUARY 1991 - DECEMBER 1992

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January 1993

Introduction: UN Reorganization or U.S.-Sponsored "Coup d'Etat?"	1
The Ugly Americans: Obstructing Justice at UNCED	2
Preparations for the Earth Summit: From Desert Storm to Hijacking the Earth	5
Bush's New World Order: Democracy and the Climate Change Treaty	7
Women, Food Security, and Trade Policy: Keys to Sustainable Development	9
Behind the Biodiversity Treaty Negotiations: Global Industrial Rights and a National Citizens Agenda	12
U.S. Unilateralism and the Corporate Interest: Lessons from the Earth Summit	16
Who's in Charge? Decisionmaking and Dispute Resolution in the New World Order	19
APPENDIX - Alternative Treaty on Trade and Sustainable Development	25

Introduction: UN Reorganization or U.S. - Sponsored “Coup d’Etat?”

U.S. plans for reorganizing the entire United Nations system advanced in February, 1992, when new Secretary General Boutros Ghali announced that several agencies involved in international economic cooperation would be subsumed under a new Department of Economic Development. Shortly afterward, Boutros Ghali hired former U.S. Attorney General Dick Thornburgh as UN Under-Secretary General in charge of the reorganization. With advice from the private Heritage Foundation think-tank, this new regime at the UN is pursuing a strategy that shifts power in the “new world order” away from the multilateral UN and toward the unaccountable Bretton Woods institutions — the World Bank, the International Monetary Fund, and the General Agreement on Tariffs and Trade (GATT.) Some are calling this a “coup d’etat.”

The first group of discontinued agencies included the UN Centre on Transnational Corporations, the Department of International Economic and Social Affairs, the Centre for Science and Technology for Development, the Department of Technical Cooperation for Development and the Office of the Director General for Development and International Cooperation. Later, other agencies related to the cooperation and disarmament functions of the UN were also discontinued.

While the U.S. gives lip service to arms reductions, it has encouraged arms build-ups within the UN, under the guise of so-called “peace-keeping” forces. The reality is that the U.S. is succeeding in its goal

of shifting the cost of financing its military power to other countries, including Japan and Germany, while the yen and marks are channeled back to the U.S. military industrial corporations.

The way in which the U.S. achieved its political victory in the Gulf War — by winning a UN Security Council mandate to pursue its unilateral thirst for oil by bullying a tiny coalition of countries dependent upon U.S. aid and U.S. power — marked the beginning of a major battle. Will the UN be a truly multilateral institution or simply an instrument of US domination?

The U.S. government’s aggressive economic policies have required other countries to sell off their environments in order to pay off their debt to private banks — the same banks that have over-invested in speculative real estate and leveraged buy-outs in the U.S. itself and are now angling for a bail-out from the U.S. taxpayers.

Don’t believe that monopoly corporations are the best in protecting the environment. Their only corporate mandate is to maximize profits. One way they maximize profits is by evading environmental and social regulations and relocating to the countries with lower wages and environmental standards. We desperately need international agreements and cooperation. If the UN can be hijacked by transnationals via the U.S. government, it will destroy its credibility forever.

* Edited versions of these articles have or will appear in In These Times, Chicago, IL, Vol. 15 No. 40, October 30-November 5, 1992; Toward Freedom, Burlington, VT, Vol. 41 No. 2, March 1992; Connection to the Americas, Austin, Texas, Vol. 9 No. 6, July/August 1992; Beyond Law, Bogota, Colombia, August 1992; Resurgence, Penang, Malaysia, No. 24-25, October 1992; geneWATCH, Cambridge, MA, 1993; and New Solutions, Denver, CO, 1993.

The Ugly Americans: Obstructing Justice at UNCED

"I am from the United States. It has been embarrassing for me to be here and watch the U.S. delegation ignore the international consensus by refusing to establish targets and timelines to reduce climate change. I speak for many young people in the U.S. who have begun to wonder whether our government is basing its decisions on a safe approach to the 1992 elections, rather than a sincere commitment to sustainable development and environmental protection. We call on the U.S. delegation to support a binding protocol on climate change. We will continue to be active and make our voices heard." — Karen Plaut, Student of Stanford University and NGO Delegate to UNCED

It was 5 pm on one of the last days of the third month-long preparatory negotiations for the "Earth Summit," the United Nations Conference on Environment and Development (UNCED) that will be finalized in Rio de Janeiro next June. Karen Plaut's 30-second statement was followed by similarly blunt words from students from four other regions of the world — all members of the international Student Environmental Action Coalition condemning the economic model that is destroying the planet and spreading poverty throughout the world.

I, too, felt embarrassed by the U.S. government's positions. Karen and I were among at least 230 representatives of non-governmental organizations (NGOs) officially accredited to participate in the third UNCED Preparatory Committee session, held last month in Geneva, Switzerland. Over and over, people from all over the world wanted to know what we as U.S. citizens were doing to change the way our government was single-handedly blocking the progress of these negotiations — supposed to result in treaties on climate change, biodiversity, and forests; plans for dealing with poverty and development; and an "Earth Charter" that is envisioned as a kind of constitution for the earth — full of noble ideals, rights and obligations of the citizens of the planet.

Perhaps most outrageous was the attempt by the U.S. to elevate free markets to the level of "general principles" which might become part of the Earth Charter. "UNCED principles should reflect the central role that market mechanisms play to achieve sustainable development," pronounced the U.S. government in an official statement on August 20th. This position reflects the narrow ideology of the Bush Administration generally. In virtually every international forum — UNCED, the General Agreement on Tariffs and Trade (GATT), the North American Free Trade Agreement, and its extension "to Tierra del Fuego" through the Enterprise for the Americas Initiative — the U.S. is advocating deregulated markets for trade and investment.

The NGO Working Group on Poverty and Affluence, made up of the most progressive activists participating in the Geneva meeting, answered back: "If a free market is desired, then it has to be freed from the control of the transnational corporations through regulation by governments... Trade is not absolutely good. Trade in slaves, drugs, arms or endangered species is bad even though it does generate a great deal of economic activity... In recent decades, millions of farmers responded to market incentives, converting their lands to export crops and joining the global commodities markets. When these markets were deregulated, the farmers were left more vulnerable than before."

Likewise, market strategies pushed by the industrialized countries to increase the export of raw logs can mean faster environmental degradation, the extinction of some animal species, and the loss of local jobs in wood processing industries. In a world of finite resources, increased volumes of trade in many products is unsustainable. Contrary to the official U.S. position, the opening of markets to increase exports is not a strategy to achieve sustainable development.

My last evening in Geneva, I witnessed a dramatic 90-minute debate in the governments' working group on poverty between U.S. negotiator Gerald Kamens and representatives of Zimbabwe, India, and other countries. The draft text read that the "alleviation of

poverty is crucial for sustainable development.” Zimbabwe’s negotiator Margaret Mukahanana proposed that the world’s goal should be the “eradication” of poverty instead of mere “alleviation.” The U.S. government refused; according to their logic, eradicating poverty is not “crucial” to achieve sustainable development and so it would be incorrect to make “eradication” a goal of UNCED. No other government backed the U.S. although Canada suggested a compromise: substituting the phrase “sustainable development is best achieved through the eradication of poverty.” This, however, was rejected as too weak. India finally proposed that the working group do one of two things: either it take the time to go through the document word by word in order to fully expose the U.S. position or it accept the bulk of the text as written — including “alleviation” instead of “eradication” — and focus debate the following day on the final point which proposed specific programs and activities. Exhausted by U.S. intransigence regarding the eradication of poverty, the group opted for the latter and went home for the night.

Although President George Bush is expected to join the heads of state of more than 100 countries next June in Rio to sign whatever final agreements may be achieved at UNCED, the U.S. negotiators seem to be working hard to ensure that there won’t be any agreements of consequence to sign. Take, for example, the proposed treaty on global warming. In its official Statement on Atmosphere, the U.S. first complained that key UNCED documents “focus almost exclusively ... on recommendations to address one environmental issue - climate change - through one sector - energy” — as if oblivious to findings that energy use as a sector of world economic activity will contribute to more than three-quarters of the total global warming impact for the period from 1985-2100. Furthermore, the U.S. statement went on, “Any discussion of policy recommendations, if focussed on climate change, necessarily duplicates and potentially preempts the work of the INC,” the Intergovernmental Negotiating Committee for a Framework Convention on Climate Change. What they didn’t say is that they are blocking progress here, too. In the latest talks of the

INC, the U.S. refused to accept specific limitations on its carbon dioxide emissions despite the willingness of almost every other country to do so. Those talks concluded when, at the last minute, Britain and Japan joined the U.S. in opposing mandatory targets. Back in Geneva, the U.S. delegation told NGOs that it stood by its “firm” commitment to “no targets and no timetables” in cutting back carbon emissions to slow global warming. So what may be signed in Rio will probably be limited to a “framework convention,” essentially just an agreement to talk some more.

The forests agreement, too, will probably be limited to a mere statement of principles. In this case, the developing countries were able to derail the U.S. strategy — to win a lot of good publicity for President Bush by signing a treaty that obliged the tropical countries to halt deforestation while ignoring our own obligations. Malaysia’s Ambassador Ting Wen Lian caused an uproar last March by countering that a forests treaty should require a minimum level of forest cover for each country of the world — “particularly the developed countries that have undergone extensive deforestation to draw up national forestry action plans ... Countries which allocate more than their fair share in forest land [should] be compensated” and “any losses incurred by traditional users in reserving certain forests or modifying existing forest-land-use [should] be compensated.”

As a result of the Malaysian initiative, President Bush now appears to be desperate for any type of forests agreement. The U.S. delegation told NGOs in Geneva that it would offer the developing countries “anything they want — but for some reason, they don’t hear us.” This can only mean that the U.S. is not listening, since the developing countries make it quite clear that what they need is the one thing the U.S. won’t put on the table: “additional” resources — that is, financing that would be in addition to existing foreign aid programs — enabling them to comply with the terms of a new treaty. Indeed, developing countries regard such financing as less a question of aid than of compensation for national and local sacrifices to be made on behalf of the global environment.

The concept of compensation — or public investment in adjustment and conversion — can be fairly applied in the industrialized countries as well. Loggers out of work in the Pacific Northwest of the United States, for example, due to recent legislation protecting old growth forests and the spotted owl on public lands also deserve support enabling them to retrain or relocate, or helping local mill-owners to re-tool. But even domestically, the U.S. has failed to take adjustment programs seriously. In winning passage of the 1990 Clean Air Act, Senate Majority Leader George Mitchell's deal with the Senate precluded any bills that would help mineworkers adjust to cutbacks in coal-fired electricity generation.

Back in Geneva last month, the Latin American NGOs took this concept of compensation another step forward, asking UNCED to consider the actual losses caused by exploitation in the past. Their document entitled "External Debt and Ecological Debt," signed by 21 NGO representatives of 8 Latin American nations, puts a new twist on so-called debt-for-nature swaps. In these deals, Northern NGOs like the World Wildlife Fund and The Nature Conservancy buy portions of a country's external debt at a deep discount; the face value of the debt is erased from the banks' portfolios and invested in bonds in that country which support long-term local conservation projects. The Latin Americans proposed that, instead of swapping the external debt for such projects, it should first be swapped for the region's ecological and social losses deriving from colonialism and exploitative foreign investment.

In other words, add up the value of the environmental damage caused by the exploitation and export of natural resources plus the harm caused by the introduction, production and commercialization of products banned in other countries — such as certain drugs or agri-chemicals — plus the loss of income resulting from deteriorating terms of trade. This is what the industrialized North, which has profited from the use of Latin America ever since Christopher Columbus, owes to the South. According to this proposal, payment of the social and ecological debt would then be negotiable alongside the more familiar external debt owed by the South to the

North. The Latin American NGOs propose compensating one debt with the other and/or creating a fund for environmental projects and sustainable development.

Ambassador Ting's and the Latin Americans' proposals are based on their sense that the high standard of living in the North has depended upon high levels of per capita consumption of the North's as well as the South's resources. Mahatma Ghandi commented almost 50 years ago that if it took half the globe to make England what it was, how many globes would it take India to achieve a similar standard of living for its people? Reduced consumption (and production) in the North — of carbon dioxide, of chlorofluorocarbons, of coal and oil and pesticides and fertilizers and paper and plastic and everything else — is the key to sustainable development.

In the U.S. delegation's August 26th briefing for NGOs in Geneva, Godfrey M'Mwereria of SONED, the Southern Network on Development based in Nairobi, asked "What is the U.S.A. willing to sacrifice?" U.S. Ambassador Robert J. Ryan, Jr. evaded the question. "It's not a question of U.S. dominance," he said in gentle tones, "it is a question of U.S. leadership of the right kind." He rambled on about education and balance, about voluntary changes in lifestyles, and finished by noting that he himself could understand M'Mwereria's concern because he had once been an ambassador in Africa.

"Lame, the word is lame!" fumed Barbara Peckarich as we left this briefing. Her own organization, the World Uranium Hearing with offices in New Mexico, fights uranium mining and hazardous waste dumping, especially on the lands of indigenous peoples. Peckarich had asked the delegation about trade in toxic waste. Ambassador Ryan told us that the Basel and Bamako conventions, which respectively regulate the international hazardous waste trade and prohibit imports into Africa, had virtually eliminated the problem. "But that's why we oppose a ban," he said, "because in some places disposal is more environmentally secure." Sure, one might well mutter, as long as it's in the Third World. Toxic garbage barges, like the ones from Long Island and

Philadelphia, have toured the globe in search of a country needy enough for cash that it will sell us a dumping site. Yet even the poorest of countries respects their peoples' safety and health too well; both of these cargoes returned to the United States for disposal in the country of origin.

U.S. insistence on the World Bank as the administrator of any environmental and development funds also worries the NGOs and nations of the South. They know well the effects of Bank-sponsored boondoggles that displaced villages, eliminated the habitats of rare species, and destroyed the ecological balance of vast regions in addition to constraining local economies through austerity budgets and spiraling debt. "In any case," propounds the U.S. in its official UNCED Statement on Institutional Issues, "the World Bank must be a full and active participant in any effective process for coordinating international environment and development activities."

The World Bank may call its investment in dams, roads and railways, heavy equipment for logging and open cast mining, and harbors for shipping "development." But in reality, argued Ghanaian economist Charles Abugre in Geneva, these infrastructure investments are made to facilitate the extraction of the South's resources for the benefit of the transnational corporations. This view is reinforced by testimony of the U.S. Deputy Assistant Secretary of State who bragged to the Congress in 1978 that "every dollar we pay into the multilateral development banks generates about \$3 business for U.S. firms." Furthermore, the voting power in the World Bank is based upon the financial contributions of donor countries so, as Abugre puts it, "the development priorities of the Third World are accordingly decided by a few countries in the North." No wonder there is opposition to placing the responsibility for financing UNCED's programs with the "Global Environmental Fund" of the World Bank!

What will come of UNCED? For the majority of the world's nations, the pending crises of global warming, ozone depletion and acid rain are not nearly as threatening as their immediate crises of poverty, desertification and starvation. At a reception spon-

sored by the Malaysian delegation in Geneva, their chief negotiator told me, "This is the last chance for the developing countries."

The next and last negotiating session before Brazil will take place in New York City next March. The citizens of the United States have more than an opportunity, we have an obligation to stop this bludgeoning by our government of the poor, of the South, and of the planet. George Bush is no more an "environmental president" than he is a peacemaker. We must not let him pose for publicity shots, pen in hand, on the basis of a treaty on forests that binds tropical countries to agreements they cannot afford to enforce and on the basis of a framework convention on climate change that binds ourselves to no obligations whatsoever.

Preparations for the Earth Summit: Desert Storm to Highjacking the Earth

For those of us worried about the short run, as I am, the final round of negotiations before the official finale of the United Nations Conference on Environment and Development (UNCED) in Rio de Janeiro — affirmed a fateful sense of doom. The survival of the planet, after all, is quite genuinely at stake.

But, in New York City from March 2 - April 3, the United States simply did not negotiate in good faith. The talks collapsed over the U.S.' unilateral refusal to accept responsibility for consuming more than a fair share of the world's resources while insisting on extending its control over other countries' resources. This conclusion is evident in the negotiation of the proposed treaties on climate change and biodiversity respectively.

Instead of a climate change treaty committing countries to significant goals like cutting back on CO₂ to 20% less than 1985 levels by 2000, as read the text a few months ago, the drafters are now hoping the U.S. will agree to freezing CO₂ emissions at 1990 levels by 2000. But our negotiators remain "firm" in their position that the U.S. will sign onto "no targets

and no timetables.” A better expression of the Bush Administration’s energy policy was Operation Desert Storm.

The biodiversity treaty is more complex. It may seem appropriate that international law should prescribe sustainable means of using invaluable natural resources, but this treaty would not do so. Instead, it would determine who has access to and control over them. The U.S. is defending the right of private corporations (the most immediately interested are agricultural and pharmaceutical companies) to claim ownership of genetic resources, using this treaty to alter existing international patent law.

In so doing, the U.S. refuses to recognize the rights of indigenous peoples or other governments which already claim ownership based on Principle 21 of the 1972 Stockholm precursor to the Earth Summit, in which the world agreed that nations have sovereign control over the natural resources within their territory. (Imagine if the Japanese tried to take over management of the Grand Canyon or told the U.S. not to drill for oil in environmentally fragile Alaska.)

The U.S. also refuses to consider Third World proposals that the biodiversity treaty regulate biotechnology: that is, how private corporations develop and use the laboratory derivations of the natural genetic material. In sum, the U.S. wants to let private companies seize control of the raw materials and sell back the processed products for a profit to the indigenous peoples, small-scale farmers and others who have cultivated these resources over millenia.

The United States’ posture at UNCED has been selfish and grim. U.S. negotiators consistently vetoed text that referred to consumption patterns, debt and macroeconomic policies, warfare and military expenditures, and additional financing. They also refused to discuss the Bush Administration’s failure to comply with prior international agreements that each country share 0.7% of its Gross Domestic Product in overseas development assistance.

In document after document, the U.S. has pretended that so-called free trade will generate so much wealth in the Third World that its governments will automatically invest in environmental protection. This proposition is indefensible: the trickle-down theory has been discredited here at home, as any impoverished urban community hosting toxic waste disposal facilities can attest, just as free trade has failed to improve living conditions in the low-wage, highly toxic duty-free manufacturing zones of Mexico, the Dominican Republic, Guatemala, Taiwan, Hong Kong, and so on.

Nonetheless, for those of us worried about the long run, as I am, it was most heartening to see most of the other 178 members of the United Nations prepared to defy U.S.’ unilateralism, thinly disguised as sole protector of the global commons. It was also heartening to see strong opposition to U.S.’ unilateralism from many of the more than one thousand non-governmental organizations from all over the world which are participating in the preparatory process of the Earth Summit.

Students from SEAC, the U.S.-based Student Environmental Action Coalition, EYFA, the European Youth Forest Action, and groups from other regions of the world led numerous protests against the U.S.’ support of transnational corporations (TNCs). On March 30, for example, they organized a “trial” of the Bush Administration. Young people from the U.S., the Netherlands, Kenya, Ukraine, Ghana, and several indigenous peoples’ representatives testified about the impact of U.S. policy on their own communities. After hearing about the hunger resulting from conversion of food crops to export crops to accommodate debt payments, the elimination of the caribou herds which had sustained the Caribou People, the recent massacre in East Timor where oil is at stake, drug wars and toxic waste incinerators in New York City, and other personal accounts of human suffering and ecological despoliation, the crowd was unanimous in its verdict of “guilty!”

Earlier that week, a dozen youth from as many countries attended in their business suits a public meeting of the newly formed “Business Council for

Sustainable Development,” co-sponsored by the International Chamber of Commerce for the heads of governmental delegations. At exactly 6:45, the youth took from their brief cases tee-shirts — each enumerating an atrocity committed by a transnational corporation such as Union Carbide’s Bhopal disaster and DuPont’s contribution to ozone depletion — slipped them on, dipped their fingers into pocket-vials of green paint, slathered their faces green, and leafleted the audience with flyers entitled: “Businesses paint their dirty faces green.” Within minutes, United Nations security guards began removing the youth but belatedly, the meeting chair realized this was a public relations mistake and allowed the last four to remain for the duration of the meeting. The government representatives seemed very interested in the intense debate that followed, as the remaining youth peppered the panel with questions challenging the proposition that corporate self-regulation works.

Perhaps the most inspiring protest of all was led by activists from the Peoples’ Forum, a session organized by the Highlander Center, the United Church of Christ, and the New York Coalition for Environmental Justice. This three-day program introduced community leaders from across the United States, deeply involved in local struggles against sky-rocketing cancer rates and other effects of toxic industries, to Third World leaders who were in New York fighting the same battles in the context of the Earth Summit. Upon learning that the U.S. delegation was being feted at an elegant cocktail party in a United Nations lounge over-looking the East River by the U.S. Citizens Network for UNCED, a clearinghouse organization that has refrained from taking political positions in the negotiations, the community representatives to the Peoples’ Forum decided to make a political statement.

The Peoples’ Forum representatives crashed the party, singing freedom songs until conversation ceased. Then, using a bullhorn, one-by-one, they told their personal stories — stories about themselves, their children, their husbands, and their neighbors who suffered from illness and death as a result of unregulated corporate behavior. They demanded

of U.S. Ambassador Robert J. Ryan that he come to the Peoples’ Forum meeting (to which he had been invited much earlier but declined to attend) and discuss environmental and development policy with this constituency — people of color and the poor. After numerous intense exchanges, the Ambassador accepted. The following day, he met with the group and eventually agreed to appoint a special liaison who in the future would meet regularly with representatives of the Peoples’ Forum.

Yes, at times, the public seems capable of overcoming bald power. On our last day in New York, two students found their way past security to the roof of the United Nations’ building. Without getting caught, they lowered two banners — each forty meters long! For about 45-minutes, the banners filled the skyline, in flagrant rejection of the U.S.’ unilateral approach to global policy. The banners read: “Earth Summit — Hijacked.”

Bush’s New World Order: Democracy and the Climate Change Treaty

In late May, the White House finally announced that US President George Bush would join the heads of state of more than 100 other countries, including Mexico, at the Earth Summit in Rio de Janeiro this week. The decision was made when the Bush Administration had succeeded in its negotiating strategy: the US negotiators made it clear that his attendance hinged upon deleting from the climate change treaty’s final draft text all reference to specific limitations of carbon dioxide (CO₂), the major greenhouse gas which primarily derives from burning fossil fuels.

Consequences of this victory of the Bush Administration are being felt throughout the world. The European Community (EC), for example, had proposed a carbon tax on all non-renewable energy use in member countries but now they, too, have weakened their stand. Fearing a loss of competitiveness in world markets, the EC has now made its internal

proposal conditional upon the US and Japan enacting similar laws. Quite contrary to Bush, the EC's Environment Commissioner has announced he will boycott the Earth Summit as a result.

Why is the United States not cooperating? President Bush said he was unwilling to sign a more specific treaty on climate change because of "jobs, job, jobs" — but there is plenty of evidence that reduced consumption of energy both creates jobs and improves business productivity. First, conservation and the development of renewable sources create lots of employment for the less-skilled and highly-skilled labor forces respectively. Second, studies have shown that when industries reduce their spending on energy, they improve their return on investment. According to the Union of Concerned Scientists, reducing CO2 emissions 70% by the year 2030, largely by reducing energy consumption, would free up about \$2.3 trillion for productive investment in the US economy.

The only reasonable explanation is that President Bush is working in the interests of energy transnational corporations, not the US citizenry or the productive industries. His goal is to keep oil flowing with extensive support from the federal government; a carbon tax would slow this flow. Presently, the White House and Senator Bennett Johnston of Louisiana, a major oil-producing state, are promoting energy legislation that would increase the US commitment to oil. The Iraq War, according to many analysts, was in effect an "oil war" to guarantee supplies from Saudi Arabia, the White House's best ally in the oil-rich Gulf region. By January, 1992, the Saudis had doubled their pre-war daily production capacity which had the effect of lowering the world price of oil by about 25%. There was speculation in US newspapers at the time that the price drop was part of a deal made between Bush and Saudi King Fahd to improve the President's chances for reelection.

In the US itself, President Bush recently accepted the recommendation of Vice President Dan Quayle's Council on Competitiveness, to gut the Clean Air Act by refusing to accept the necessary regulations

needed to implement this law. This action now allows industry to evade some of the most important provisions of the Clean Air Act — one of which ensured that citizens groups were notified when corporations were seeking to increase their air emissions and could challenge these requested increases. Whether this abridgement of the democratic rights of the US public is legal is a question now before the federal courts.

Free trade agreements (FTA) are another mechanism used by corporate interests to secure their control over natural resources and to subvert the democratic rights of communities, states, and nations. One of the most significant aspects of the 1988 US-Canada FTA was a guarantee from Canada that US energy companies would have unrestricted access to Canada's cheap oil, natural gas, uranium and hydro electric power supplies. One of the major components of the US-Mexico FTA, still subject to intense negotiation, is unlimited access to Mexico's oil. In these free trade negotiations, the public is virtually excluded.

The free trade proposals being negotiated through the General Agreement on Tariffs and Trade (GATT) would also undermine local, state, and national democratic processes. The Bush Administration has condemned social legislation, environmental regulations and laws which regulate investments as "barriers to trade." The 1988 Canada-US Free Trade Agreement has led to claims by Canadian officials that Nassau County, New York's local law requiring 50% recycled material be used in the making of newsprint used by local newspapers is a violation of the pulp and paper industry's right to free trade. Also under this agreement, Canada's asbestos industry has charged that the US ban on asbestos is excessively restrictive. The US government has forced British Columbia to suspend a reforestation program on grounds it is an unfair subsidy to Canada's timber companies. The draft North American Free Trade Agreement (NAFTA) and GATT texts both call for harmonizing each country's food safety standards with norms negotiated by representatives of CocaCola, Pepsi, Nestle, Ralston Purina, Kraft and General Foods through an agency called Codex

Alimintarius. It is not surprising that these norms minimize health and safety regulations .

The current GATT text even proposes creating a new international institution, a Multilateral Trade Organization (MTO), with not only the authority but the obligation to order individual countries to revise their domestic laws and policies in the interests of maximizing trade. Countries would submit lists of their national, state or provincial, and local regulations for scrutiny by a committee of the MTO searching for barriers to trade. Regulations targeted by the committee must be eliminated; the text requires countries to “take all necessary steps to ensure conformity” to the GATT. Disputes about these procedures would be decided by panels of appointed trade officials subject to no public review processes whatsoever. Not even the press is informed of their deliberations. Under the MTO, the panel decisions would become binding whereas current international law requires a consensus of the GATT leadership to accept their findings.

The loss of democracy through FTAs affects citizens of developing countries as well as industrialized countries; the winners are transnational corporations seeking to evade all kinds of social, labor, environmental and tax laws from country to country. In the NAFTA, for example, terms granting preferential treatment for Mexico are not targeted to peasant farmers but, rather, to any agricultural producer operating on Mexican soil. Instead of strengthening local markets, providing technical assistance to improve food safety, developing transportation for remote communities, and enhancing food security by managing supply through import restrictions on products of national importance, the NAFTA’s express goal of “raising efficiency through an increase in the scale of production” would accelerate land concentration and consequent migration.

In all of these cases, the industrialized countries led by US President George Bush are pursuing a “new world order” in which the corporate sector can enjoy easy access to the world’s resources. Like any other regulatory regime, a serious treaty committing the nations of the world to stopping climate change

would constitute a barrier to trade from the perspective of the White House. With 5.8% of total world trade values devoted to transport costs in 1990, a carbon tax would indeed tend to slow movement of goods across borders, save a considerable amount of fuel, and slow climate change proportionately. Yet, the treaty reads that nations need only “aim” at reducing CO2 emissions sometime in the future. Only a few months ago, the draft climate change text would have committed countries to cutting CO2 emissions 20% below their 1985 levels; these terms had satisfied virtually every other country in the world except members of OPEC, the Organization of Petroleum-Exporting Countries.

George Bush and the oil companies may be pleased with their success in the international community — from free trade agreements to the Earth Summit, the corporate sector has been gaining over democracy, even in the US. The lack of democracy in new formations of international law is the key problem; reasserting representative democracy that wrests power from the executive branches of most national governments is key to the solution. The potential for multilateral cooperation to fairly allocate the planet’s resources depends upon an international regime built upon structures of community and local political participation.

Women, Food Security, and Trade Policy: Keys to Sustainable Development

The women of Ouedraogo Clementine’s community in Burkina Faso are fighting desertification by laying stones to channel water. Not too long ago, they learned through a government extension service about organic fertilizer and how to make compost. They are also planting trees. “Land reform is not a problem,” she told us in French. “Every woman who wants land, has it” although it belongs to the village chiefs. “We produce with our hands, without equipment,” she added, but that was not a problem either. For her, the real problem is that, in her culture, women return the best soil to their husbands but “with desertification, the best soil goes away.”

Ouedraogo Clementine made these comments last August in Geneva, Switzerland, where she represented the organization Promo Femmes Developpement Sport during a workshop on "Natural Resources and Food Security" convened by the Worldwide Fund for Nature during the third session of negotiations for UNCED, the United Nations Conference on Environment and Development in Geneva last August. Although it was her first experience at an international meeting, she described the destructive impact of current food policy in Africa, where women grow 80% of the food crops, more convincingly than the professional advocates.

Many Third World governments see export-oriented agriculture as their only route to the global economy, a route prescribed by the International Monetary Fund as a condition for its loans and grants. Ironically, the need for the loans and grants arises from policies that encouraged farmers to enter the global marketplace but where falling prices made it impossible to recover their costs of production. The conversion of traditional peasant economies based on food self-sufficiency and ecologically efficient agriculture to chemical-intensive cash crops for export made whole nations dependent victims of declining terms of trade, debt, and foreign aid.

In the course of the trade-debt-aid spiral, millions of women lost their role as the primary household producer while their communities lost their integrity and independence. Export agriculture has had a variety of pernicious effects on women in the Third World:

- the role of producer shifts to the men, disrupting social structures;
- less food is planted, requiring cash to feed families;
- as food becomes scarcer, food prices rise;
- packaged foods become attractive and nutrition declines;
- income-producing work away from the household plot detracts from child care;
- cash income is easily diverted to non-food items including alcohol; and

- men lose their dignity, becoming pawns in the international battle for cheap labor.

In the first world, the entrance of women in the job market has been hailed as evidence of growing equality and feminist achievement. In the United States from 1981 - 1991, ten million more women joined the workforce, an increase of 25%. Yet the gains are elusive. Intense competition in the job market, a faltering economy, and inflation have diminished the value of women's labor while their purchasing power has declined as well. Family life and children suffer. Remarkably, much of the list of pernicious effects of export agriculture on Third World women is also applicable to working women in the North.

In both the North and the South, the social and economic restructuring derives largely from international trade policy. Globalization of the economy, a phenomenon that exploded with the growth of transnational corporations since the 1960s, has pitted the workers of each country against those of other countries and weakened the opportunities of governments to plan and manage their domestic development. As a result, local initiatives often fail and local resources are drained away.

So-called "free trade" has actually freed up transnational corporations to avoid national regulation, manipulate prices, absorb smaller-scale agricultural and industrial enterprises, and exploit workers. This function of free trade is about to become institutionalized with the evolution of the GATT into an "MTO" or Multilateral Trade Organization. One of its purposes will be to redistribute low-wage jobs to even lower-wage regions of the world — a purpose that will disproportionately affect women who are the least-paid workers almost everywhere.

GATT, the General Agreement on Tariffs and Trade, essentially controls the global economy although it is a little-known institution. Ouedraogo Clementine, for example, had never heard of it before traveling to Geneva last year— even though GATT agricultural policies are in part responsible for Africa's food security problems.

In GATT negotiations, nations seek to agree on multilateral rules that govern the commercial importing and exporting of goods. Since 1948, it has been a consensus-based forum but this may soon change. Last December, GATT Secretary General Arthur Dunkel issued a draft

“Final Act” intended to compel countries to swiftly negotiate a few outstanding issues while accepting the bulk of the five hundred pages of new rules for global trade.

The Dunkel draft of revised rules would give the GATT new binding powers and pre-empt the right of national and even local governments to legislate strong environmental protection and other health and safety regulations. If the proposed MTO is approved by a mere handful of the world’s most powerful governments, it would also extend provisions for mandatory deregulation to cover not only goods but services — the sector that employs most women including more than half of the working women of the U.S.

The inclusion of services through the MTO would shift virtually all data processing to the Third World. Women who recently became wage-earners in the North will find themselves unemployed. Women in the South, displaced from the land by the agricultural provisions of the GATT and other free trade agreements, will be forced to migrate to overcrowded cities and work in the burgeoning number of computerized sweatshops. Service corporations will grow richer while paying one-tenth the wages. Gross National Product in Third World countries may increase but health and welfare will decline.

Negotiation of NAFTA, the North American Free Trade Agreement, perfectly illustrates this pattern of economic restructuring. The 1988 Free Trade Agreement between the U.S. and Canada has already resulted in the loss of at least a quarter-million jobs for Canadians, as companies migrated to lower-wage and lower-tax regions of the United States. The Canadian Independent Services Association has predicted that, within five years, 360,000 jobs will be lost in computer work alone — jobs that are held mostly by women. And erosion of the commer-

cial tax base has obliged cuts in Canadian social services including, for example, their renowned health care program. As the women in the Pro-Canada Network, which opposed the free trade agreement, put it, “That’s bad news for us and our kids.”

Meanwhile, increased investment in Mexico has created jobs but disrupted its social structure, too. The extreme toxicity of Mexico’s newer industries has caused skyrocketing cancer rates in the duty-free export-producing “maquiladora” zones along the border, where more than three-quarters of the workers are women. And toxic wastes have severely contaminated rivers that are used for drinking as well as irrigation of food crops on both sides of the border.

Recently, in keeping with President Salinas’ commitment to free trade, the ruling party succeeded in altering the Mexican Constitution in order to privatize the “ejido” system of communal agriculture. Transnational grain corporations may benefit, but the tens of thousands of rural families expected to migrate to the maquiladora zones and Mexico City, already one of the largest and most polluted cities in the world, are not likely to improve their standard of living.

More than 1500 women convened in Miami last November at the World Women’s Congress for a Healthy Planet. “We call for special attention to the needs of women and children in urban centers experiencing phenomenal growth,” they wrote. Among more than one hundred other statements in their Women’s Action Agenda 21, they agreed to “strive to create awareness about the environmental impact of land-use technologies guided by immediate profit at the cost of long-term sustainability... We call for the renegotiation of trade agreements that will ensure an equitable relationship between the prices of raw materials and the prices of manufactured goods.”

In Kenya, the National Council of Women created the Green Belt Movement which, since 1977, has planted more than seven million trees with school-children and small-scale farmers. One of their ob-

jectives is to illuminate the relationship between “the fuelwood crisis, poverty, unemployment and under-employment, food crisis, over-population, mismanagement of natural resources and the effects of these on the political and economic situation throughout Africa.”

Indeed, the principle of price equity for the full inputs and outputs of economic activity is fundamental. Like the campaign for “wages for housework” of many women fighting for economic justice in the North, women everywhere are demanding that the real value of their labor and of increasingly scarce natural resources — like water and fuelwood — be counted in the global economy.

Advocates of sustainable development argue that the GATT’s free trade emphasis on deregulating transnational corporations can undermine the goals of UNCED. As the non-governmental working group on Poverty and Affluence advised the negotiators of some 160 governments, they should first “take affirmative action regarding the implications of trade...and include sections regulating the import and export of products that affect each of the issues before UNCED.” And second, they should “ensure that environmental and development policy supersedes trade policy. Otherwise, current trade practices will prevail, perpetuating the emphasis on increasing exports through the exploitation and degradation of natural resources.”

In Geneva last August, where Ouedraogo Clementine first heard of the GATT, she and others in her work group from Senegal, Czechoslovakia, France, England and the United States concluded that the GATT should be used “to ensure that agricultural support programs do not result in overproduction and export dumping and do allow countries to achieve levels of food self-sufficiency necessary for national security and protection of the environment at the same time.”

Fortunately, farmers in France and the U.S. are stalwart and well-organized in their opposition to the Dunkel draft Final Act of the GATT. Nonetheless, in the next few months, a settlement could yet be achieved by Dunkel and the industrialized coun-

try governments with disastrous impacts for women and any hope for a sustainable global economy. We must all fight back.

Behind the Biodiversity Treaty Negotiations: Global Industrial Rights and a National Citizens Agenda

“ This will teach the United Nations not to hold a conference in an American election year.”

-Tommy Koh, Chair, United Nations Conference on Environment and Development.

One hundred and fifty three nations signed the Biodiversity Treaty at the Earth Summit in Rio de Janeiro last June. The United States did not. Why?

A confidential memo, written on the stationery of US Vice President Dan Quayle and leaked to the *Village Voice* newspaper, cites domestic legislative obligations that the Treaty would compel as the main concern. The memo advises that the Treaty “would require enactment of broadened environmental legislation in the US” and that both “the Endangered Species Act and the National Environmental Policy Act would need to be substantially expanded...” Furthermore, “special legislation would need to be passed for the benefit of the indigenous populations, i.e. American Indians” warn the associate and executive directors of Quayle’s Council on Competitiveness.

These concerns of the Competitiveness Council are typical of its mission under the Bush/Quayle White House, which has been to systematically use executive authority to undermine laws achieved by citizens through the legislative branch of our government. Simultaneous with the biodiversity negotiations, for example, the Competitiveness Council overruled the Endangered Species Act to allow further logging in the last habitat of the Spotted Owl. And simultaneous with the climate change negotiations, the Competitiveness Council waived some 59 rules of the Clean Air Act to allow industry to increase its emissions.

In this case, the Vice President's Competitiveness Council is protecting the biotechnology industry. Presently a \$4 billion per year sector of the US economy, the biotech industry foresees annual sales of \$50 billion in the next few years if it is allowed unregulated access to both resources and markets. But the Biodiversity Treaty would do just the opposite: it limits access to genetic resources and regulates the release of genetically-modified organisms.

Negotiated over a period of two years before the highly-politicized Earth Summit, the final text of the Biodiversity Treaty states its objectives to be "the conservation of biological diversity, the sustainable use of its components, and the fair and equitable sharing of the benefits arising out of the utilization of genetic resources." It is the latter goal that dominated the debate, however; as a result, the Treaty is "more about commerce than about conservation" noted the British *Financial Times*.

Among the rules won by developing countries, where more than two-thirds of the planet's genetic resources reside, is the principle that compensation is owed to the countries of origin. This language directs that some of the profits to be made from the sale of engineered variations of the earth's natural gene pool — some percentage of the \$46 billion increment anticipated by the US biotech industry, in other words — be shared with developing countries.

However, this victory of the Third World is mitigated by another rule won by the industrialized countries. After a major political battle over who would be eligible for this compensation, the final language refers to countries "providing genetic resources" that were taken from either "in-situ sources, including populations of both wild and domesticated species, or taken from ex-situ sources, which may or may not have originated in that country." In this way, the industrialized countries led by the US, the United Kingdom and Australia, won the right to compensate themselves and not the developing countries for the use of about 70% of the world's known agricultural seed and livestock genetic pool stored in gene banks, bioengineering laboratories, and botanical gardens. As Simone Bilderbeek, one of the

co-coordinators of the non-governmental organizations' Task Group on Biodiversity, put it, "No one can say anymore that the North has the technology but the South has the bio. From the moment the Biodiversity Convention comes into force, Holland will be an important 'country of origin!'"¹.

Guarding these claims to compensation is the international law of patents, the industrialized countries' preferred form of intellectual property protection. Patents give monopoly control over the commercial use of a product or process to the recognized patentholder; because they reward scientific and technological innovation, only about 1% of all patents worldwide are now held by Third World persons or companies. The prevailing criteria for patents, established by the Paris Convention as long ago as 1883 and upheld by the United Nations' World Intellectual Property Organization (WIPO), require that there be an "invention" and a known "utility."

These terms suggest that the applicability of patents to the genetic foundation of biodiversity, and life itself, are limited. Indeed, many non-governmental organizations oppose the patenting of living material outright.² Given that biological processes form about 40% of the world economy and 90% of the economy of the poor, the "patenting of life forms will be an enormous tax on the poor," argued Patrick Mooney of the Rural Advancement Foundation International during the negotiations of the Earth Summit.

The US has actively pursued the patenting of living material in other international forums as well as the Earth Summit. Simultaneously with the biodiversity negotiations, in separate talks taking place in Istanbul, the industrialized countries declared their intention of patenting their stocks of banked genes under the auspices of the Consultative Group on Agricultural Research (CGIAR.) Because the CGIAR is governed by financial donors, not seed donors, there was no move in these negotiations to share the profits of patenting with developing countries. And the US has argued in negotiations of the General Agreement on Tariffs and Trade (GATT), the domi-

nant instrument of international trade policy, for patent rights over living genetic material, too — again, without the obligation to share profits with countries of origin.

Last year, GATT negotiators agreed to preserve the right of nations to patent life forms up to the level of microorganisms but rejected the US proposal to patent life forms up to the level of the human being. This year, nonetheless, the US government's foremost medical research institution, the National Institutes of Health, filed requests for patent protection for some 3,000 different aspects of human genes whose function is still unknown. Although the final wording on trade-related intellectual property provisions — called "TRIPS" — in the stalled Uruguay Round of the GATT is not determined, the Earth Summit's Secretary-General Maurice Strong declared on numerous occasions that all of the Earth Summit agreements would have to be "GATT-legal."

Some countries have intellectual property laws that already reject the patenting of some life forms. India's Patent Act of 1970, for example, entirely excludes patentability in several areas of crucial social significance — agriculture, horticulture and atomic energy. Furthermore, the Indian law covers processes, not products, in the areas of food, medicines, drugs and chemicals. This ensures that inventors are rewarded by prohibiting others from using their process without compensation while, at the same time, ensuring that use of a product that could be produced through other means is not hindered. As a result, generic drugs and many varieties of seeds are available to the public very cheaply because one patentholding company cannot claim a monopoly and raise its prices or otherwise restrict access to the benefits of the invention.

In various bilateral and multilateral settings including the GATT, the US is attempting to negotiate intellectual property rights that would eliminate such national laws that restrict commercial opportunities. In bilateral negotiations with India, the US has threatened to withhold trade if its demand for changes in the Patent Act are not met. Adding to this

pressure are the proposed new GATT rules, which could make India's Patent Act challengeable on grounds that it is a "barrier to trade." Likewise, the US is using economic and political leverage to force revisions to Brazil's national patent law. Newspapers there recently reported that, according to Brazil's Minister of Foreign Relations, Ambassador Axambuja, "We are being pressured by the United States." If the Brazilian Congress fails to approve new intellectual property rights in the field of biotechnology, he said, "we will be retaliated against."

The Biodiversity Treaty does not necessarily favor these tactics of the Bush Administration. As implementing mechanisms, the Treaty accepts any "terms which recognize and are consistent with the adequate and effective protection of intellectual property rights" providing that "such rights are supportive of and do not run counter to" the Treaty's objectives. Already, the European Greens used these clauses to convince the European Parliament to postpone the patenting of living material on grounds that patents would inhibit the objective of fairly and equitably sharing benefits; the Parliament decided to undertake a study to ensure that their actions would be consistent with the Treaty. Similarly, these terms could be invoked against the US's proposals on TRIPS in the GATT and against its bilateral negotiating tactics to influence the domestic laws of countries like India and Brazil.

The Treaty can also be interpreted as supporting alternatives to patents, rules regarding intellectual property that have broader social and popular effects. These would include Farmers' and Plant Breeders' Rights as adopted in 1983 by 102 countries; compulsory licensing by which governments can force a patentholder to forego its monopoly on intellectual property of social value; and indigenous peoples' rights to the traditional knowledge of their cultures.

Indigenous peoples, who have played a major role in the conservation of the planet's biodiversity, differ on the question of intellectual property rights. Some have taken the position that without legal protection, it will be effectively stolen by Western scientists

and, without compensation for its use, economic pressures will force their communities to adopt Western lifestyles and lead to the permanent loss of this highly specialized knowledge. Others point out that many of those who would hold the “right” to their traditional knowledge, under a Western legal system, would be unaware of it nonetheless — and subject to abuse by the system’s authorities. Another perspective was expressed by a North American Indian during preparatory negotiations for the Earth Summit. He said, “We have knowledge of plants and what we want is to share it, as we have been sharing it for thousands of years. We do not want to patent it, and we do not want others to patent it either.”

While insisting upon patenting genetic material to protect the profits of the biotechnology industry, the US systematically rejected all proposals for regulating that industry in the interests of protecting public health. In negotiating the Biodiversity Treaty and the chapter on biodiversity in the Earth Summit’s action plan, referred to as “Agenda 21,” the US successfully deleted from all texts any references to “biosafety.” Irregardless of the flagrant double standard, the US argued in these debates that genetically modified organisms should be considered “natural,” while in defending patents, the US argued they should be considered “novel.”

After withholding its signature from the Treaty, the US issued a final memorandum, entitled “Interpretive Statements for the Record,” to clarify its views on a number of matters resulting from the Earth Summit. In a section referring to Agenda 21, the memo reiterates that the “United States understands that biotechnology is in no way an intrinsically unsafe process.” But interestingly, the memo goes on to state that the “United States accepts to consider the need for and feasibility of internationally agreed guidelines on safety in biotechnology releases, and to consider studying the feasibility of guidelines which could facilitate national legislation on liability and compensation, subject to this understanding.”

The latter statement, despite its tentative tone, provides US activists with both a warning and a mandate. The warning comes as a reminder of the White

House’s strategy to use international agreements to overrule domestic legislation. State laws — like those of Maine, Vermont, Wisconsin and Minnesota regulating the use of the synthetic growth hormone. Bovine Somatotropin (BST), used to stimulate milk production in cows or those proposed in Minnesota and North Carolina to require permits for the release of genetically engineered organisms — could be declared internationally illegal as “barriers to trade” under the proposed rules of GATT, for example.

On the other hand, national legislation on biosafety that addresses liability and compensation — as the Interpretive Statement suggests — could be very useful in countering the corporate agenda and excessive powers of the executive branch of the US government. Last winter, President Bush announced a moratorium on all new environmental, health and safety regulations in response to findings of Vice President Dan Quayle’s Competitiveness Council. And in May, the Vice President announced a new “risk-based” policy on genetically-altered foods: they need not be especially labeled nor must biotechnology companies seek the approval of the Food and Drug Administration, if the company determines the alterations are “not enough to create safety concerns.” These rulings and the Competitiveness Council itself ought to be constrained by the US Congress.

In fact, the White House memos provide US citizens and legislators with a clear political agenda. First, national legislation can redress the actions of the Competitiveness Council. Second, national legislation can prescribe a comprehensive approach to the regulation of biotechnology. And third, with or without a signature on the Biodiversity Treaty, national legislation can implement its objectives. As Dan Quayle alerted us, both “the Endangered Species Act and the National Environmental Policy Act would need to be substantially expanded...” and “special legislation would need to be passed for the benefit of the indigenous populations, i.e. American Indians...”

Thanks for the advice, Dan.

¹ “No one can say anymore that the North has the technology but the South has the bio,” comments Simone Bilderbeek, one of the co-coordinators of the non-governmental organizations’ Task Group on Biodiversity. “From the moment the Biodiversity Convention comes into force, Holland is an important country of origin! Why would a company like Rotterdam-based Unilever make a complicated deal with Indonesia, if it can find a beautiful collection of Indonesian genes in a nice and tidy Western gene bank. Instead of crawling through hot, wet, mosquito-plagued rainforests to obtain the originals, it can go next door where all the genes are orderly numbered, named, systematized and easily accessible...”

² Non-governmental organizations drafted 39 alternative treaties at the Earth Summit, expressing their own principles and commitments to work for sustainable development. The Alternative Treaty on Trade states “The patenting of intellectual property, which by definition grants private ownership to discovery and invention, nullifies collaboration and the sharing of knowledge. In order to address issues of intellectual property while preserving the rights of traditional societies using non-patentable living resources, all patenting of biological resources and life forms should be halted and existing international laws of the World Intellectual Property Organization (WIPO) under the Paris Convention framework should be recognized. In addition, existing formal and informal rights of local communities to biodiversity and biological resources, along with their contribution to the improvement and maintenance of biodiversity, should be recognized and valued. Trade mechanisms that reduce or restrict the free flow of ideas and technologies necessary for the protection of the environment and health must be eliminated. All nations’ rights to use products with broad social value through mechanisms such as compulsory licensing must not be compromised by GATT or any other negotiations.”

U.S. Unilateralism and the Corporate Interest: Lessons from the Earth Summit

The most significant geopolitical result of the Earth Summit in Rio de Janeiro may be that the Bush Administration succeeded in isolating itself utterly, even from its partners in the Group of 7 (G-7) wealthy countries of the world. Singlehandedly, President Bush succeeded in eliminating from the climate change treaty any reference to specific limitations of carbon dioxide emissions. Alone in the industrialized world, the White House now refuses to sign the biodiversity treaty. And the U.S. did not join other developed countries in reaffirming their commitments to share 0.7% of Gross Domestic

Product with developing nations, because the U.S. had not joined them in making that initial commitment back in 1974. When the G-7 convenes in Germany on July 7th of this year, it will be worth watching to see how the other industrialized nations’ leaders respond to Bush’s unilateral behavior in Brazil.

Even the United Nations is subject to the Bush Administration’s domination. In January, the US candidate for the post of UN Secretary-General, Boutros Boutros-Ghali of Egypt, took office. Promptly, and without consulting the UN General Assembly, Boutros-Ghali eliminated five agencies devoted to international cooperation including the UN Centre on Transnational Corporations. In February, former U.S. Attorney General Richard Thornburgh took office as UN Under-Secretary for Administration and Management. His job is to reorganize the entire UN. Recently, a Ford Foundation expert on UN matters suggested that “a second chamber of the General Assembly” be established to seat representatives of the private sector. And under the guise of peacekeeping, Third World soldiers are poised to intervene in disputes of concern to the First World — a development that some are calling the “Pentagonization” of the UN.

Of course, U.S. citizens are not asked their opinions about foreign policy formulation, nor is there a viable forum by which they can influence the White House agenda. And in the global community, there has been little to check the negotiating strength of the United States since the Iraq War and the demise of the Soviet Union. The White House is wielding this power in a wide variety of forums: from the United Nations and the Earth Summit to the Enterprise for the Americas Initiative and various free trade agreements. In each case, the US is proposing major changes designed to build an international regime in which environmental law, patent law, trade law, financial policy and global military forces will together ensure corporate access to the resources of not only the global commons but other nations’ wilderness, while limiting community rights to democratically determined national regulation.

In the biodiversity negotiations at the Earth Summit, for example, the U.S. negotiators had insisted upon patents to protect the intellectual property rights of those private agencies that isolate the genes of wild species, while denying any safety-related regulation of biotechnology and denying any compensation to the countries of origin or the indigenous communities which developed and preserved these genetic resources over millenia. In the context of the Earth Summit, the Bush Administration lost this debate: the treaty does provide for some regulation and compensation. But by not signing the biodiversity treaty, President Bush retained the right to negotiate alternative intellectual property rights agreements more favorable to the biotechnology industry.

Simultaneous with the final controversial debate over the biodiversity treaty text, the U.S. won agreement on very different terms for patenting genetic material that has been banked for agricultural purposes; this agreement does not refer to regulating biotechnology nor compensating countries of origin. Meanwhile, the U.S. is using economic leverage to force important trading partners, such as India and Brazil, to reform their national patent laws — laws which have so far protected the peoples' right to affordable access to the products of intellectual property such as seeds and medicines. And hard fought battles over intellectual property rights are still among the obstacles to concluding the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) negotiations.

President Bush's Enterprise for the Americas Initiative — which offers official debt relief to Latin American and Caribbean nations in exchange for renegotiating their commercial debt, structural adjustment, open investment, and free trade — also demonstrates the White House's sweeping corporate agenda. This package, essentially an extension of the neo-liberal relationship between the U.S. and Mexico to be finalized in the North American Free Trade Agreement, has been as attractive to the governments of the rest of the hemisphere as its fundamental principles have been to Mexican President Carlos Salinas de Gotari. All but Haiti, Guyana and Cuba have signed initial agreements. But the

resulting economic dependence upon US investment makes it difficult if not impossible for participating countries to exercise political independence.

One month before the Earth Summit, for example, developing country ministers met in Kuala Lumpur, Malaysia to establish a unified position to be taken to Brazil. High on their agenda was a plan to consolidate the campaign to democratize the Global Environmental Facility (GEF), the institution that will finance most international environmental projects in the future. A project of the World Bank, the GEF is structured like a club requiring a fee for membership with voting rights proportionate to the amount paid — thus, countries receiving funds through the GEF have no voice in determining how funds are allocated. Nonetheless, the Ministers of Mexico, Colombia and Venezuela tried to win support for the position of the United States favoring the GEF as the sole financing vehicle to be discussed in Rio de Janeiro. Other ministers prevailed, however, and the Kuala Lumpur conference decided to take a unanimous position to Rio affirming earlier demands that the GEF be restructured to allow universal membership and equal voting rights for all countries. This position also prevailed in Rio: the final documents stipulate that the GEF will be subject to a more democratic structure to be determined at a future date.

This near-split among developing countries demonstrates the power of the U.S. and its linked negotiating strategies. Debt-for-nature swaps — a component of the Enterprise for the Americas Initiative and among several financial mechanisms approved by governments at the Earth Summit — similarly show how wealthy countries use international agreements to gain private sector control over the natural resources of developing countries. Debt swaps are popular among some of the major international environmental organizations, which collect donations from their members for the ostensible preservation of Third World wilderness. The funds are used to buy outstanding debt cheaply. Because banks recognize that many countries cannot afford to make regular payments, they are glad to have environmental groups pay them off with cash, even

at steep discounts. The environmental groups then negotiate with the Third World governments for promises that they will reallocate their domestic budgets toward better management of parks and preserves.

Debt swaps, however, have major catches for debtor nations. One catch is that swaps reallocate funds away from essentials like health and education programs, in countries where there is very little margin. Another catch is that the swaps are negotiated between the executive branches of governments and foreign parties — a fundamental violation of democracy which presupposes that national priorities result from a process of citizen participation. But the biggest catch of all may be that national parks and other preserved territories — and all the productive and reproductive resources therein — become subject to the control of foreign organizations and scientists. The discovery of oil in preserved territories in Ecuador last year, for example, led to a decision that simply shifted the borders of the park to enable CONOCO to drill.

Last August, Latin American activists participating in preparatory negotiations for the Earth Summit published their position regarding “ecological debt.” This form of debt accrues as the value of the damage done to the environment of each country in the interests of commercial trade. If the value of the ecological damage done since the time of Columbus were calculated against the official debt, it is likely that the industrialized countries would be found to owe a great deal to the rest of the world. Although the concept of ecological debt has gained credibility, even among governments, and influenced the bargaining before the Earth Summit, it is as yet insufficient to overcome the economic leverage gained by the US through the Enterprise for the Americas Initiative and other free trade negotiations.

Indeed, free trade agreements have been designed to ensure the unrestricted exploitation of cheap raw materials. One of the major components of the North American Free Trade Agreement, still subject to intense negotiation, is unlimited access for the

U.S. to Mexico’s oil. Likewise, the 1988 U.S.-Canada Free Trade Agreement gave U.S. energy companies unrestricted access to Canada’s cheap oil, natural gas, uranium and hydro-electric power supplies. Using the terms of this agreement, Canadian officials have claimed that a local law in Nassau County, New York, requiring 50% recycled fiber content in their local newspaper violates the Canadian pulp and paper industry’s right to free trade. Under this guise, the Bush Administration and its corporate allies have condemned virtually all social legislation, environmental regulations and laws which regulate investments as “barriers to trade.”

Like any other regulatory regime, a serious treaty committing the U.S. to stopping climate change would constitute a barrier to trade from the perspective of the White House. With 5.8% of total world trade values devoted to transport costs in 1990, a carbon tax would indeed tend to slow movement of goods across borders, save a considerable amount of fuel, and slow climate change proportionately. Certainly the President’s motive is not, as he stated, to preserve jobs — according to the Union of Concerned Scientists, reducing carbon dioxide emissions 70% by the year 2030 would free up about \$2.3 trillion for productive investment in the U.S. economy. Instead, he waged a war against Iraq to guarantee cheap oil supplies from Saudi Arabia. By January 1992, the Saudis had doubled their pre-war daily production capacity which had the effect of lowering the world price of oil by about 25%; there was speculation in newspapers at the time that the price drop was part of a deal made between Bush and Saudi King Fahd to improve the President’s chances for re-election.

No, the President’s real motive in Rio, as in other international settings, was to gain control over other nations’ territory without accepting any responsibilities. George Bush and the oil companies may be pleased with their success with the international community — free trade agreements, the Enterprise for the Americas Initiative, debt swaps, the Global Environmental Facility, the Earth Summit, and the Pentagonization of the United Nations itself are all strategies by which U.S. President George Bush is

pursuing a “new world order” in which the corporate sector can enjoy easy access to the world’s resources.

Whether Bush’s increasingly tactless unilateralism becomes a wedge opening the executive branch of the U.S. government to public scrutiny remains to be seen. The lack of democracy in the new array of economically-determined international relationships is the key problem; reasserting representative democracy that wrests power from the executive branch is key to the solution. In the next decade, it is imperative that the world community reach agreement on processes of cooperative decisionmaking based on multilateral democracy.

Who’s in Charge? Decisionmaking and Dispute Resolution in the New World Order

Most of us weren’t watching closely enough and the commercial media didn’t help. It’s no coincidence that just before Christmas on December 20, 1991, Secretary General Arthur Dunkel of the General Agreement on Tariffs and Trade (GATT) released more than 500 pages of his proposed “Final Act” of the Uruguay Round of trade negotiations with dramatic new rules for the future governance of the world. By January 13 of the new year, the 108 member nations of the GATT were told to decide whether to “take it or leave it.”

What the media did show us, as the Old Year was reviewed to make way for the New, was the Gulf War, a revolution in Eastern Europe, and the dissolution of the Soviet empire — all characterized as triumphs for democracy. In fact, they represent triumphs for capitalism, which is not the same thing. The Dunkel Final Act supports the expansion of capitalism with the utmost care but utterly neglects any semblance of democratic procedure. To be sure, Eastern Europeans and the former Soviet republics are now presented with opportunities to develop democratic governments but the Cold War has so devastated their natural resource bases that choice in their future economic planning is virtually non-

existent. They must seek foreign aid and accept foreign conditions.

Here in the United States, we deal with the effects of advanced capitalism every day. Our communities, too, are dependent upon government aid and, as dependents, we live under conditions we would not otherwise choose. Recession and debt, unemployment, taxes, civil rights, health care, pollution, crime and poverty define our nation’s politics. What does this suggest for post-war Kuwait and Iraq, post-socialist Poland and Croatia, and post-Soviet Ukraine and Kazakhstan, not to mention post-colonial Latin America and Africa? Just like communities in the post-Reagan United States, all of these regions consider themselves politically independent but look closer: economically and hence socially, they remain utterly dependent — despite all this “post” rhetoric.

It is difficult to imagine anything but an increasingly shared political agenda among the world’s growing population of dependents of the new world order. Whether true democracy can defeat the concentration of wealth and spread of dependency is a question the next decades will prove. It requires a global campaign in which we must all learn to collaborate.

The status of economic democracy in the U.S.

In the U.S., we have waged most of our battles and won most of our victories, frustrating as it has been, through the democratic process — influencing our elected politicians at the federal, state, and local levels. But it is no coincidence that our local victories are more frequent than the national ones. At the local level, each of us is more aware of the impact that a governmental decision will have on our own life and each of us feels more capable of influencing our local elected official. That’s why local activism is alive and well while more and more people stay home on national election days. And *that* is why democracy in the United States is less and less legitimate.

The gap between the individual citizen and the particular decisionmaker becomes greater as the

size of the political unit grows. So does the reliability of information. When neighbors use word-of-mouth to debate the merits of a city councilmember or a state legislator, communities turn out the vote when it matters. But in considering candidates for the U.S. Senate, it's a bit tougher. We have to rely upon the newsletters of organizations we trust and the articles or polls published in our daily newspapers. It's a lot harder, for those of us who are organizers, to turn on the public and to turn out the vote.

Imagine, then, how easy it is for Bush and his cronies to put their personal economic eggs in the international institutional basket. Not only does the average voter feel simply inadequate to judge and influence international decisions. The truth is that existing global institutions — even the United Nations — give the individual citizen neither voice nor vote in international decisions! Authority is entirely invested in the executive branches of the world's national governments. If the gap is great between individuals and their U.S. Senators, it is even greater between the individual and the President — and greater still between the individual and the evolving structures of international law.

No matter (or perhaps because of) how effectively we are organizing at the local level, the major industrialized nations are aggressively stretching the Power Ratio by developing global institutions, global decisionmaking and global laws. Unless we take notice of both local and global sectors, the Bush Administration and its international allies will succeed in undermining the structure of our local, state and national governments through the creation of a new international system that — need we say it? — will not benefit the individual but promote the welfare of transnational corporations.

There is clear evidence that President Bush's economic program — an expansionary monetary policy, weak dollar, and so-called free trade — favor transnational corporations over domestic firms. In our own country, we have all seen the giants of each industry take over not only the mom-'n'-pop operations but also medium-sized companies, their leading national competitors and, now — in concert with

European, Japanese and other transnational interests — they want to move overseas. The GATT Final Act will let 'em.

The U.S. government and international economic democracy

With the United States' success one year ago in intimidating the rest of the United Nations Security Council to support its desire for unilateral control of oil in the Middle East, the notion of a multilateral system of world government appears less viable than it has since the founding days of the United Nations. At that time, peace and security required that the powerful sit together and strive to balance their interests. Now, there is only one powerful nation and only one powerful interest — that of the transnational corporations.

In general, the policies pursued by U.S. President Bush and the GATT Final Act would transfer political and economic power from domestic interests and domestic industries to transnational corporations. Now that "Toys R Us" has displaced small town dime stores and Walmart has displaced lumberyards in the U.S. over the past decade or two, these huge corporate empires are now seeking new territory and the U.S. Trade Representative is helping. Our government very recently succeeded in forcing Japan to accept Toys R Us within its national borders by calling Japanese policies supporting their own independent retail industry "barriers to trade." Similarly, new rules proposed in the GATT Final Act would obligate countries to open their markets to a wide variety of foreign interests with virtually no regulatory control.

Soon, the Japanese retailers and the world's farmers, small entrepreneurs, and employees of national service industries will be out of work just like the Mom 'n' Pop retailers of Main Street, America. (For each of us as individuals, it is worth looking at the industries that employ us and our neighbors and friends: do they sell their products in the US or abroad? A related question, and one easier for us as individuals to control, is: do we prefer to purchase goods that have been made here or imported products? Think about it.)

Despite its political power, the U.S. is in a severe recession — some are now calling it a depression. The lowering of interest rates through the mechanisms of the Federal Reserve Board has been insufficient to offset levels of disinvestment and debt in our economy. Severe deficits in both the trade and budget accounts mean that we, as a nation, are importing more than we export and, having spent more than we can afford on government (especially the military), we are in debt to the banks to finance our daily operations. As a result, we have far fewer dollars within our national borders and federal system than we owe to outsiders.

Like replenishing the Federal Deposit Insurance Corporation after bailing out private savings and loans and banks, the Bush Administration expects taxpayers to reconcile the deficits in our trade and budget accounts, too. But there's no question who is gaining from these bail-outs: transnational corporations engaged in foreign operations which escape minimum wage levels, minimum environmental standards, taxes and other local regulatory standards that the citizens of this country have worked to enact at the local, state and federal levels of our democratic government.

International citizen activism is not yet dead, however; in fact, it is only beginning to become organized. In response to the GATT and other global policy bodies like the World Bank and the United Nations Conference on Environment and Development (UNCED), networks of non-governmental organizations from throughout the world are learning to collaborate. The United States' proposals for centralizing authority and resources for managing the world's economy and environment in the World Bank, which is controlled by agents of the wealthier nations' executive branches of government, well beyond the reach of the individual citizen, are meeting stiff resistance.

Global governance

Internationally, there is a magnificent debate underway — although it is given little attention in the media — between the industrialized country governments and the developing country governments

about these issues. Similarly, there is an earnest debate among the citizens of industrialized countries and the citizens of developing countries respectively.

Decisionmaking in the GATT has been based on consensus requiring the cooperation of each participating country's national government but, unless the public and its elected officials are sufficiently vigilant, this is about to change. In the last 10 pages of the telephone-book-size Final Act, the industrialized countries hid their design of the "super-GATT," a new global authority to be called the Multilateral Trade Authority (MTO) with power to overrule national governments.

All other international bodies have recognized sovereign nation-states. The United Nations General Assembly, since its creation in the post-World War II period, has given each country one vote although the UN Security Council has granted vetos to the most powerful. Recently, however, especially since the dissolution of one of its veto-bearing members, the Soviet Union, there is talk of revising the Security Council and the veto procedure.

In the World Bank, decisionmaking power is proportionate to the financial contributions of donor countries. This bastion of global finance is unlikely to change, but one of its projects — the Global Environmental Facility (GEF) recently created to finance international environmental programs — is open to a negotiated decisionmaking structure according to representatives of the U.S. State Department.

Quite different from the GATT, UN and World Bank models, the Montreal Protocol for the Protection of the Ozone Layer categorizes the countries that are party to this treaty as either "developing" or "developed" and gives each as a group equal power. Decisions regarding the Montreal Protocol's fund for transferring additional financial resources to developing countries require not only a two-thirds majority vote of all the parties but also a majority vote of each of the two groups.

All of these models for global decisionmaking are now subject to fierce debate, especially in the context of transnational environmental problems. Each new international environmental law is on the bargaining table: should each be financed separately, as is the unique Montreal Protocol for Protection of the Ozone Layer, or should one international fund finance all future environmental initiatives? If the latter, should the decisionmaking model of the Montreal Protocol prevail or that of the U.N. or that of the World Bank? The Global Environmental Facility could be dramatically restructured by the negotiators of UNCED, if developing country governments and non-governmental activists succeed in their campaign for democracy in new international institutions.

The environmental key to global power

For the first time in contemporary history, developing countries have genuine bargaining power based on the growing recognition of the real value of natural resources in their unexploited condition. (Well before Christopher Columbus, there was ample recognition of the commercial value of natural resources to those able to exploit and export them.) As more and more power is invested in international institutions, clear conflicts begin to appear between the international law established in one treaty and that established in another. These conflicts will require negotiation and, ultimately, some resolution of their respective legal precedence.

For example, the Montreal Protocol as well as the Convention on International Trade in Endangered Species (CITES) and the Basel Convention Against Trade in Hazardous Substances are all in conflict with the GATT — although as yet no country has mounted a challenge against the trade-restricting provisions of these ecology-protecting international laws. The UNCED Secretariat has published a list from the U.S. International Trade Commission of nineteen international trade agreements that employ trade restrictions as compliance mechanisms, any one of which could be considered GATT-illegal.

Governed by a binding majority voting policy, the MTO would enable individual countries to avoid

existing domestic mandates in the strategic interests of the transnational corporations. In the U.S., for example, the White House would be able to defer to international law and move to rescind our laws about pesticides and logging from public lands and recycled fiber content and automobile emissions which could be considered “trade-distorting” and “unfair practice” by the MTO’s new Trade Policy Review Mechanism. According to the MTO, countries would be required to revise any such laws in order to bring them into harmony with international standards.

Transnational corporations project the concept of “harmonization” as a means of reconciling conflicting national standards — never mind that their proposals would weaken existing environmental, health and safety, and other regulations. There is talk — especially among people from countries with relatively high environmental, labor or other domestic standards — of using international law to require other nations to raise their standards, but there the evidence suggests that negotiated agreements sink to a “least common denominator” in order to get broad support.

In the GATT, the current leading proposal for harmonization of “sanitary and phytosanitary regulations” — health and safety protections regarding animal, vegetable and food products — would give decisionmaking authority to Codex Alimentarius, an affiliate of the United Nations Food and Agriculture Agency. As long as two-thirds of the US delegation to Codex are representatives of food industry corporations, it is fair to regard GATT text declaring that Codex set international standards with cynicism. Given this context, the international decisionmaking problem is how to negotiate international law that supports “floors” instead of “ceilings” in harmonized standard-setting.

Sovereignty, dispute resolution and the theoretical “third party”

Another problem in the framework of international law is how to promote implementation and enforcement without resorting to retaliatory trade sanctions — measures which penalize rather than enable com-

pliance. Dispute resolution is the component within the apparatus of many international institutions that responds to the appeals of individual countries: in cases of dispute between two sovereign nations, a process of consultation, negotiation, panel reviews and often, third party arbitration is proposed. To date, virtually all dispute resolution mechanisms have been voluntary and respectful of the rights of nations.

Historically in the GATT, a country accused of creating an "unnecessary obstacle to trade" becomes subject to the findings of an ad hoc panel of arbitrators who assess the charges and issue a finding which the GATT Council can then accept or reject. If a violation is found, the Council calls upon the offending state to comply or authorizes retaliation — the imposition of tariffs, quantitative restrictions or other measures to compensate for the value of the injury.

For example, a GATT panel recently ruled that Mexico was entitled to retaliate against a U.S. ban on tunafish imports from countries exceeding a specified proportion of dolphin kills by their fishing fleets, arguing that that domestic environmental legislation was not applicable to areas outside national territory. North American politics enabled these two countries to finally settle their dispute informally, but this GATT panel set an ominous precedent allowing international commercial interests to overrule national environmental legislation — in this case, the U.S. Marine Mammal Protection Act.

Dispute resolution proposals in both the North American Free Trade Agreement (NAFTA) and the GATT Final Act, however, would alter the dynamic of multilateral give-and-take inherent in present international processes. Especially in the NAFTA negotiations, the conflict between unilateral political power and genuine trilateralism is clear. The U.S. is advocating bilateral settlement processes while Mexico and Canada argue that, in a given dispute, the third country in the agreement should play a third party role in dispute resolution.

The proposed MTO in the GATT Final Act would give the authority of binding international law to a new "Trade Policy Review Mechanism" charged with assessing all trade of all participating countries to find and impose obligatory remedies to what its committee representing the executive branches of governments considers to be unfair trade practices. The MTO would make dispute resolution procedures mandatory and, short of a unanimous rejection by all member countries of a dispute resolution panel's findings, the decisions would be binding.

Nation states must reconsider their position in the new world order.

TNCs, international deregulation, and the MTO

The North American free trade negotiations are, in a sense, a fallback position for the US to the GATT. Should the blatant promotion of the transnational corporations in the Uruguay Round proposals be too apparent to the nations which must decide whether or not to approve them, NAFTA would give the Bush Administration another forum in which to pursue their interests. In contrast to the 30-year program of consolidating regional economic, legal, and social interests in order to integrate the European Community, environmentalists and labor activists have been able to demonstrate that U.S. President Bush and Mexican President Carlos Salinas have given no consideration to anything but expanding the privileges of transnational corporations.

Meanwhile, the Asians are also beginning to consider regional goals. Whereas pundits like to describe the Asian, European and North American regional blocs as competing, an analysis of trade policy impacts shows that in all three parts of the world, the transnational corporations would enjoy a mutual gain in overcoming national and regional economic objectives. Likewise, the MTO in the Uruguay Round proposals would become the mechanism for deregulating TNCs in areas that go beyond the present limits of the GATT .

In the GATT negotiations, for example, proposals for a General Agreement on Services, have so far been stymied by Third World countries dependent upon nationalized banking, insurance, and telecommunications sectors. The MTO proposal in the Final Act, however, cleverly links a country's participation in any international market with acceptance of the services agreement. As a result of the MTO, transnational corporations in the banking, insurance, and telecommunications sectors would be enabled to enter countries at will. Mightily capitalized and subject to no local rules, the TNCs would easily eliminate smaller domestic companies and expatriate the profits — thus precluding local development as a function of industry.

Similarly, the proposed MTO would also ensure that stricter “trade-related intellectual property” regulations (called TRIPS) governing patents, copyrights and so forth — that have also been staunchly opposed by the Third World — becomes a condition of participating in the so-called “free” world marketplace. The TRIPs proposals would enable the TNCs to gain control over smaller domestic companies' pharmaceutical, agricultural and genetic resources as well as domestic entertainment industries.

And the MTO as proposed would establish obligatory dispute resolution and cross-retaliation mechanisms so that a country insisting on its right to a national telephone system or its right to distribute cheap medicines and seeds, untrammled with foreign patents and royalties, would be automatically subject to trade sanctions against other sectors of its economy.

An alternative new world order

On the other hand, for those of us who are optimists, it is possible to envision an MTO that would operate in the public interest — quite different from the remote committees and panels of the deregulatory agency proposed in the Uruguay Round draft GATT Final Act.

A broad global democratic institution could build a new world order of international law based on the public interest with a participatory structure ensur-

ing transparent, accountable and equitable decisionmaking. In fact, such an organization was envisioned in the earlier period of global reconstruction after World War II. At that time, proposals for an “International Trade Organization” (ITO) were part of the Bretton Woods vision that ultimately created the World Bank, the International Monetary Fund and the GATT. But U.S. President Truman was unable to move the ITO through a divided Congress.

Now the U.S. Congress has another, surely historic, opportunity to participate in the construction of a new, new world order. The Congress should reject the draft GATT Final Act and work with the White House to develop an ITO based on international trade laws that support human development instead of the transnational corporations that are robbing America of its economic base.

A new ITO for the 21st century could support existing UN-approved corporate codes of conduct that regulate the restrictive business practices of transnational corporations — ways in which transnational corporations manipulate intra-firm activities to fix prices, strategically allocate markets, transfer accounts to take advantage of currency fluctuations in different countries, and under-invoice exports or over-invoice imports to evade certain host country regulations. A new ITO could defend commodity agreements and regulate pricing to ensure fair returns on the costs of production. It could incorporate environmental and social policies with mechanisms to eliminate debt and stabilize macroeconomic factors. And an ITO for the 21st century could support local economic projects that reinforce community participation and community development throughout the global community.

APPENDIX

NOTE: The following final text was approved on June 10, 1992 by the Active Negotiators of the trade work group at the NGOs International Forum, parallel to the official Earth Summit in Rio de Janeiro. Staff of the Institute for Agriculture and Trade Policy helped facilitate the drafting of this treaty throughout the preparatory process and in Rio.

ALTERNATIVE TREATY ON TRADE AND SUSTAINABLE DEVELOPMENT Final draft - June 10, 1992

WHEREAS:

1) International trade should be conducted with the objectives of improving the well-being of people, whilst recognizing the need to promote socially just and ecologically sustainable development and prudent resource management, in accordance with the precautionary principle, transparency and participatory democracy.

2) Current negotiations such as the North American Free Trade Agreement and the Enterprise for the Americas Initiative perpetuate the predatory model of development which damages the environment, promotes unlimited consumerism, and further impoverishes the majority of the peoples in all countries. International trade should be part of sustainable development strategies that guarantee the fair distribution of wealth, the self-determination of peoples, and participatory democracy. Economic integration should be an instrument of the peoples aiming at relationships that are not hierarchical but that are politically, economically and culturally complementary. The strengthening of multilateral relationships between nations must be based on the principle of equality.

3) Compensation, working conditions, land use, and the exploitation of natural resources must be directed towards sustaining socially and ecologically balanced communities. Comparative advantage must not be pursued by exploiting people and nature in inhumane and unsustainable ways.

4) External debt has become an instrument of political domination, used as leverage by creditor countries to impose the liberalization of the economies of debtor nations. The effective loss of sovereignty over their national policies has resulted in increased poverty and ecological degradation. Debt cancellation and the retrieval of national sovereignty based upon democratic principles is indispensable to socially just and ecologically sustainable development.

5) Improving the terms of trade of developing countries, eliminating distortions caused by unfair trade policies and preserving the right to enact fair policies are important prerequisites for achieving sustainability locally and globally. More specifically, this would require the elimination of export dumping; reduced tariffs in developed country markets as well as the elimination of tariff escalation on products of export interest to developing countries; and the elimination of trade distortions that inhibit sustainable development such as lower labor and environmental protection standards. Fair policies include health, other social, and environmental standards as well as financial mechanisms enabling countries to implement standards; the enforcement of those standards and those subsidies that lead to sustainable natural resources extraction and production methods; and the use of quantitative import and export restrictions as well as domestic and multilateral cooperative policies to manage production and trade in natural resource products as required to ensure food security, sustainable land use and sustainable agriculture.

6) Environmentally and socially destructive agricultural trade practices must be eliminated through open, balanced, non-discriminatory, multilateral negotiations. Democratic forms of land ownership, use, and access, are central to the creation of sustainable food systems and rural communities. Food production and consumption systems cannot depend on market forces. The distance and relationship between consumers and producers has to be narrowed. A full understanding of the whole ecological, economic and social system of agricultural production, distribution and consumption is a pre-

condition to sustainable agriculture. The right to food encompasses not only material aspects such as quantity, access and quality but also cultural aspects related to food production deriving from sustainable rural areas and communities.

7) The patenting of intellectual property, which by definition grants private ownership to discovery and invention, nullifies collaboration and the sharing of knowledge. In order to address issues of intellectual property while preserving the rights of traditional societies using non-patentable living resources, all patenting of biological resources and life forms should be halted. The existing international laws of the World Intellectual Property Organization (WIPO) under the Paris Convention framework should be recognized. In addition, existing formal and informal rights and responsibilities of local communities to biodiversity and biological resources, along with their contribution to the improvement and maintenance of biodiversity, should be balanced, recognized and valued. Trade mechanisms that reduce or restrict the free flow of ideas and technologies necessary for the protection of the environment and health must be eliminated. Mechanisms such as compulsory licensing ensure nations' rights to use products with broad social value; these rights must not be compromised by GATT or any other negotiations.

8) Communities, states and nations have the right to set health, other social, and environmental standards as well as development priorities as an expression of the desire of societies to protect their present and future well-being. This right must not be considered an unfair trade barrier of principles of non-discrimination, transparency and proportionality are respected. A test to determine if a policy or standard is a trade barrier is whether its effect is to discriminate against a product or a process to protect in an unjustified way domestic producers or to favor the producers of one country over another. The burden of proof in such a case must be placed upon the challenging party to demonstrate that a particular policy or standard is an unfair trade barrier.

9) People have the right to full access to all scientific information. Environmental impact assessments, when conducted transparently, are an essential tool in evaluating the wisdom and fairness of proposals for multilateral agreements and in periodically reviewing their effects. International health, other social, and environmental standards should be a global floor, but not a ceiling. There are two steps to any standards setting process: assessment of risk and management of risk. The role of science is to inform the public on the nature and extent of the risk, but the decision about what level of risk to accept must be made by the public through a transparent and democratic process. Financial and independent technical assistance must be available to enable all countries to meet minimum international standards in accordance with the precautionary principle.

10) Decisionmaking processes should rely primarily on participatory democracy and not market forces. Bilateral and multilateral institutions must be created democratically and designed primarily to promote social, economic and environmental sustainability. Recognizing that new global rules must be adopted to assure a minimum level of standards worldwide for such critical issues as environmental protection and human rights, global regimes and international institutions must be based upon fully democratic policymaking, decisionmaking and dispute resolution processes. Full democracy depends upon the implementation of processes based on principles of subsidiarity — that decisionmaking take place at the lower unit of political organization as possible as well as at the highest level necessary; transparency, accountability, equity and full information, and the full participation of civil society. NGOs and peoples' organizations must have the right to strategically mobilize the civil society and use their vote, political and consumer power to make pressure at all levels to influence international decisionmaking.

11) Conflicts between the provisions of international trade and environmental agreements must be settled on the basis of maximum protection of the environment and the best means to achieve socially just and ecologically sustainable development. Dis-

pute resolution mechanisms must guarantee transparent and competent independence. Dispute resolution must be conducted with transparency and subject to fully democratic processes. Institutional diversity could allow a wider variety of social, political and cultural programs to meet a wider variety of needs. Experimental international institutions should not become permanent bodies until a full assessment is made by all interested parties.

12) Trade in armaments should be prohibited. States should comply with mandatory arms transfer registration, bar transfer of weapons prohibited under international law (weapons of mass destruction), and establish an international agency under United Nations auspices that would be responsible for monitoring, regulating and eliminating the international arms trade.

13) Transnational corporations must be regulated by open, balanced, non-discriminatory multilateral mechanisms conducted with transparency and subject to fully democratic processes.

14) The Draft Final Act of the Uruguay Round of the GATT and the GATT's February 1992 Trade and Environmental Report discuss environmental regulations in terms of their functioning as barriers to trade; they also support the broadest deregulation of transnational corporate behavior. In addition, the Draft Final Act proposes expanding and institutionalizing the authority of the GATT as the Multilateral Trade Organization (MTO) with obligatory review mechanisms and binding dispute resolution mechanisms overriding national standard-setting processes. Because the GATT and the proposed MTO are not currently constituted to strengthen environmental protection or socially just and ecologically sustainable development but, instead, to anticipate trade-distorting impacts in order to minimize potential regulation, civil society and governments should work to replace the GATT with a fair, transparent, participatory and democratic alternative.

THEREFORE, WE PLEDGE:

A) To work to replace GATT with an alternative International Trade Organization (ITO) designed

with a participatory and democratic structure ensuring transparent, accountable and equitable decisionmaking in accordance with the public interest instead of the corporate interest. This will ensure that the ITO develops social, environmental, and other regulatory policies for global fair trade and sustainable development including enhanced preferential terms for developing countries and equitable resource transfers between countries. Among the policies that a fair ITO would address are commodity agreements and the terms of trade; fair compensation and healthy working conditions; allocation of revenues from environmental taxes and tariffs to enable socially and environmentally benign production; the elimination of trade in armaments and toxic waste; regulation of the restrictive business practices of transnational corporations; macroeconomic policies including currency exchange rates and debt; and the role of other global institutions including the World Bank and the International Monetary Fund. Finally, the ITO would respect the right of national democratic decisionmaking in so far as it does not result in unfair practices, and strengthen cultural diversity.

B) To support alternative models of international trade based on cooperatives of producers and consumers and federations of cooperatives working together to avoid multinational enterprise in commerce between countries of the North and the South.

C) To cooperate with the action plans of the other work groups of the NGOs International Forum including those on forests, biodiversity, climate change, sustainable agriculture, militarism, debt, and transnational corporations.

D) To share information; to cooperate with the broadest possible network of community-based organizations; to join the electronic communications network as promptly as possible; to develop a common bibliography; to develop a common research agenda and cooperate in conducting and sharing the research; to collaborate on joint documents and develop collective agreements; to promote these collective agreements through education and cooperation; to lobby our respective national and local

governments in support of these collective agreements; to develop and participate in regional and international forums among NGOs as well as consumer and producer groups after UNCED; and to draft a comprehensive document defining our principles, our analysis, and our objectives in support of our future campaigns.

E) To internalize these objectives in the work of our own organizations and networks and to commit ourselves to the common agenda and responsibilities of this treaty.

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