

Report from Cancun -- Fair Trade and the WTO Ministerial

Background

Every two years the Ministers of Trade from all member governments in the WTO meet for a week to negotiate changes in the rules of trade. The fifth Ministerial was held in Cancun, Mexico the week of September 10th. IATP actively engages with the WTO in order to get their member governments to seriously address the major problems in current rules that govern trade. At the same time, we are active in the global fair trade movement -- producers companies who follow a voluntary code of conduct to ensure justice for producers and for consumers. In both cases -- lobbying the WTO and promoting fair trade -- our goal is to make trade fair. We believe that exporting and importing should improve the lives of producers and consumers -- not make them worse. We are particularly concerned about the trade rules and practices that result in the export dumping of food products by corporations shipping out of the United States and Europe that result in widespread hunger and poverty in much of the Third World while destroying family farmers in the North and South.

Knowing that the impact of trade on small producers and on poverty in general would be a key topic of discussion at this years' WTO Ministerial IATP decided to organize a Fair Trade Week of public education events. Alongside our "inside" lobbying of government representatives we wanted to add an "outside" strategy of building public and political support for our policy recommendations and for alternative rules of trade. This Fair Trade Week include four major activities:

- 1) Fair Trade Fair - the first international trade show of major fair trade producers, retailers, and supporters.
- 2) Sustainable Trade Symposium -- speeches, panels, workshops, and seminars on everything from threats to fair trade from the WTO to biodiversity friendly trade.
- 3) Fair Trade in the Americas Strategy Forum -- looking at ways to expand fair trade in North and South America.
- 4) RadioCancun, a round-the-clock source of news, information and analysis on both the "inside and outside" activities at the WTO meeting.

Alongside these activities our policy goals for the week were as follows.

- 1) To promote changes in WTO rules that would eventually end the practice of dumping of food products.
- 2) To ensure that WTO rules did not get in the way of full implementation of Convention on Biological Diversity.
- 3) To prevent the extension of the rules of the WTO into new areas, such as services and investment.

Our success at all levels was unprecedented. The following is a brief summary of the outcomes in each of these areas.

WTO Ministerial

From the first moments of the meeting the shape of the conflict between the coalition between the US and EU and the developing world was easy to see. On issue after issue there was more or less the same situation. The US/EU negotiators would have one set of demands and a coalition of developing world governments would have a nearly opposite set of demands and the WTO secretariat would side with the US and EU. In agriculture this formulation became known as the G-20 (eventually becoming a G-24 with the addition of Nigeria and others) led by Brazil, India, and China.

In response to the EU/US demands to expand the WTO to include a range of new issues over 70 developing countries spoke out in strong opposition, joined by the G-77, ACP, African Union, and others.

In some areas of specific concern, like the demand by West African nations for immediate help to end the global cotton crisis, the US/EU coalition offered more studies and reports.

After a round of strong objections from almost all developing countries the WTO secretariat offered a second draft final declaration. It was almost exactly the same as the version that had been already rejected. This ignoring of the concerns of the developing countries eventually led to a emotional rejection of not only the text but also of the undemocratic nature of the negotiations process itself – one that was being run without rules, procedures, or transparency. The final press release from the civil society groups was headlined “Who Wrote this Text” and it included a strong attack on the lack of any process of accountability in the talks.

Mid-day on Sunday, September 14th the Third World governments in Cancun said that they had enough and called for an end to the talks. They totally rejected the second text and called for immediate adjournment.

What is important about this outcome from IATP perspective is that it signals the beginning of a new era at the WTO – the fulfillment of the promise of a truly world trade organization. In the past these talks were a place where the US and EU would make deals between themselves and then impose these deals on the rest of the world. This is no longer possible. In the future we will have real negotiations between many different perspectives, coalitions, and countries.

In addition, the explicit acknowledgement by many of the governments of the Third World of the important role that civil society groups have come to play in helping governments with analysis, information, technical details and advice is a sign that the partnerships between NGOs and Third World governments that first surfaced in a significant way at the last WTO meeting in Doha (around the issue of essential medicines) is now fully matured.

While we are still in the midst of fully analyzing the outcome, we can offer the following assessments of our progress towards our stated goals.

On dumping, there was some disappointment in the fact that we did not make much progress in our efforts to get reforms in WTO rules to help spur greater enforcement in anti-dumping rules in agriculture but we did not lose ground. We were able to talk with many governments, reporters, and NGOs about the importance of this issue and about some of the most confusing aspects such as the link to subsidies.

On protecting the CBD, there was no further erosion in the legal and institutional framework in relation to the WTO but there was little specific work on this matter during the week.

On preventing new issues, it was a fantastic success. Nearly 100 of the WTO member nations eventually spoke out on this concern – a far cry from the nearly solitary position of India on these issues at the previous meeting.

A key part of our effort was the writing and distribution of a Cancun Series of “white papers” covering all key issues from agriculture to services plus issues relating to the breakdown of the democratic process inside the WTO. On buses and in hallways you could see people reading these reports and in meetings delegates and civil society leaders would hold up one of the papers and cite facts and figures, especially from our agricultural dumping paper. 5000 copies of these “white papers” -- some in Spanish and English, were distributed to negotiators, the media, and civil society representatives in Cancun.

U.S. Dumping on World Agricultural Markets

World Trade Organization Agreement on Agriculture Basics

WTO Services Agreement: Possible Impacts on Agriculture

WTO Decision Making: A Broken Process

TRIPs Agreement: Who Owns and Controls Knowledge and Resources?

Water Services under the World Trade Organization

A full set are available on-line at www.tradeobservatory.org.

Fair Trade Week

All of our “outside” activities was incredible successes. Their long-term impact will be very important but even in the short-term we know the following.

Fair Trade Fair.

From the opening reception that attracted over 1000 people to the party we held at the the end of the week with hundreds of very happy producers it was fantastic. As many as 5000 people visited for some portion of the fair. We had beautiful booths and displays from nearly 100 fair trade producer groups or supporters from all continents. From early to late

each day it was jammed packed with WTO negotiators, NGO delegates, farmers from all over Mexico, media, celebrities, and literally thousands of local residents from Cancun who heard about this event through word of mouth. The Fair was 'the buzz' of the week.

The opening featured Ministers and high government officials from South Africa, Canada, Germany, Switzerland and key civil society leaders like Nobel Peace Prize winner Rigoberta Menchu. The highlight was the closing remarks by Mexican Foreign Minister and WTO Ministerial chair Derbenz who then broke the piñata loaded with fair trade coffees, chocolates and other surprises with Rigoberta Menchu. Several government representatives invited IATP to come put on similar trade shows in other countries, including Brazil, Hong Kong, South Africa, and France.

Sustainable Trade Symposium

Over 500 people pre-registered and many more attended one or all of the 30 different workshops and plenary sessions. The goal was to explore the full range of issues being confronted by the Sustainable Trade movement on a global level and to look closely at models and solutions that will help accelerate the growth of this movement. A special set of workshops looking at the ways that Fair Trade can make an even greater contribution to solving the global crisis of low commodity prices were especially important. We are compiling evaluations from these sessions to help shape additional events.

A key outcome was the invitation by UNCTAD Director General Rubens Ricupero who invited IATP to organize a similar seminar alongside the upcoming 15th UNCTAD Conference planned for San Paulo next June.

Fair Trade in the Americas

Over 100 producers, companies, and supporting organizations devoted an entire day to exploring ways to expand Fair Trade in North and South America. This included sessions on policy and marketing, and a look at some of the success stories both within and outside of the region. A measure of the success of the day was the decision taken by the group to form a steering committee to take the excellent ideas that were generated and to turn these ideas into a work plan for consideration by the groups who want to participate. At the end of the day there was a broad consensus on a number of key next steps.

Radio Cancun

Folks from around the world followed the day to day action via the internet on www.radiocancun.org. With interviews from all of the main players and lots of discussions with folks on the streets and "in the suites" it is now a fantastic archive of the events of the week. We will be making a cd-rom version available and it will be permanently archived on the IATP homepage and at www.tradeobservatory.org and at www.fairtradexpo.org- IATP's main trade related web pages.

Overall it was a week to remember.

Starting with the incredible opening of the Fair Trade Fair and going through the many excellent sessions of the Symposium and Forum the “outside” activities were remarkable in all ways. Coupled with the great success “inside” of the WTO itself made this perhaps the most productive and exciting weeks in the life of IATP. The impact of all of these successful activities can already be seen in the short-term, but I believe that the real impact will be over time. We have raised the fair trade movement to a new level of awareness and participation in the global justice movement and we have begun to engage trade negotiators in a dialogue over what Fair Trade can offer as a model for good trade rules – ones that truly contribute to sustainable development and to the elimination of poverty.

