

## Road to Seattle - Back Issues

### Early Planning (Issue I)

June 4, 1999

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## INTRODUCTION

The World Trade Organization will be holding its Third Ministerial Meeting in Seattle, Washington, USA November 29 - December 4, 1999. The meetings will be held at the Seattle Convention Center, in downtown Seattle. This will be the first time the WTO will be meeting in the United States since its founding.

Though November is 6 months away, much planning is already happening by various groups, organizations, etc. all around the planet. The "Road to Seattle" will keep you informed about this planning, and we invite you to tell us what your organization is doing, so we can share that information with others. There are events already being planned for the actual days of the Ministerial, as well as in the months preceding.

The "Road" will also circulate articles pertaining to global trade policies and their impacts; resources for further information, including websites, documents, etc.; contact information of various organizations; and much more.

All archived "Road to Seattle" bulletins can be accessed at <http://www.newsbulletin.org>

## **WHEN IS THE MINISTERIAL?**

**MONDAY, NOVEMBER 29 - THURSDAY, DECEMBER 2, 1999**

At the Seattle Convention Center, downtown Seattle, Washington, USA.

## **WHO IS DOING WHAT?**

### **SEATTLE CITIZENS WTO PLANNING COMMITTEE**

Citizens for a Fair Trade Policy/Democratize the WTO! is the citizens planning committee on the ground in Seattle. Working closely with Public Citizen's Global Trade Watch, this committee is already meeting monthly to coordinate logistics, media, communications, education and research, outreach, etc.

From their flyer:

The Seattle-based People for a Fair Trade invites activists from around the world to come to Seattle during the World Trade Organization meeting in November 1999.

The WTO (World Trade Organization) came into being 4 years ago with the signing of GATT (General Agreement on Tariffs and Trade). It has elevated corporate power above the sovereign powers of all nation states. By means of panels composed of non-elected trade specialists, it has overturned laws affecting labor, community economies, health and environment. Democratize the WTO! hopes to bring together thousands of people to Seattle to educate citizens about the workings of the WTO and formulate alternatives.

Reach the People for a Fair Trade Policy in the US at 1-877-786-7986,  
<http://www.tradewatch.org>, [ssoriano@igc.org](mailto:ssoriano@igc.org), 2343 NW 100th, Seattle, WA, 98177, USA

### **SEATTLE HOST ORGANIZATION (SHO)**

[From the Seattle Host Organizations's website:]

<http://www.wtoseattle.org>

### The Role of the Seattle Host Organization

SHO is a division of WCIT [Washington Council on International Trade]. SHO will not participate in the Ministerial directly. The function of SHO is to facilitate all of the services necessary for Seattle to host the Ministerial. SHO is responsible for providing the Convention Center space, transportation, hotel accommodations, and all other amenities. The other major part of SHO's responsibility is to help educate and inform the public about the importance of trade through committees such as Programs, Media and Public Relations, Education and Outreach, NGOs, and Web Development. SHO will also assist the numerous NGO's in Seattle, and involve the interested public and press in events, programs, and other activities leading up to and surrounding the Ministerial meeting.

## WHAT IS HAPPENING NOW?

### **TUESDAY, JUNE 8: LEARN ABOUT THE WTO'S PLANS FOR FORESTS**

Learn More About the World Trade Organization, It's Plans for Forests and What You Can Do About Them.

Please Join

PAIGE FISCHER, Pacific Environment and Resources Center (Oakland, CA) ANTONIA JUHASZ, American Lands Alliance (Washington D.C.)

in a presentation and discussion about the World Trade Organization's plans for the world's forests. The WTO will hold a high level Ministerial meeting in Seattle in November. At this meeting a number of agreements may be completed and/or discussed that will have a dramatic impact on our ability to protect the world's remaining forests and threatened eco-systems.

Please join us for a discussion of the WTO, it's plans for forests and what you can do to stop them.

DATE: Tuesday, June 8

TIME: 6:00 pm -- 8:30 pm

PLACE: Olympia Center, 222 N. Columbia (off of Capital Way), Olympia, WA (for directions, call 360-753-8380)

Paige and Antonia will present information about the WTO's plans for a Global Free Logging Agreement and the Multilateral Agreement on Investment. We will lead a discussion about how

citizens, environmental organizations and elected officials can work together to protect forest ecosystems and environmental regulations from international trade policies.

## **DEMOCRATIZE THE WTO! JUNE 26 PLANNING MEETING**

For those of you in Seattle -- the next meeting of the People for a Fair Trade Policy will be held on Saturday, June 26th at the King County Labor Temple from 9:30 - 12:00 (lunch will be provided).

For more information, call 1-877-786-7986, or email [ssoriano@igc.org](mailto:ssoriano@igc.org)

## **WHAT IS HAPPENING DURING THE MINISTERIAL?**

### **INTERNATIONAL FORUM ON GLOBALIZATION TEACH-IN ON THE WTO**

The IFG is organizing a Teach-In on the World Trade Organization (WTO), to be held in Seattle, Washington, on November 27, 1999. The event will take place at the 2,500-seat Benaroya Seattle Symphony Hall and the Teach-In events will be free to the public.

The Seattle Teach-In will focus on the problems of economic globalization and, specifically, on the activities of the WTO and other international agreements and institutions. Panels of speakers will address the current failed economic model, and focus on areas such as agriculture, the environment, human rights, labor rights, consumer rights, food safety, public health, and many more issues that are affected by the WTO.

Visit the IFG website (<http://www.ifg.org>) for updated Teach-In information as it develops. Or, contact the IFG directly at 1-415-771-3394, fax: 1-415-771-1121, <mailto:ifg@ifg.org>, 1555 Pacific Avenue, San Francisco, CA, 94109, USA

The following is a partial list of featured speakers for the November 27 Teach-In:

Maude Barlow Council of Canadians - Canada Walden Bello Focus on the Global South - Thailand John Cavanagh Institute for Policy Studies - U.S. Tony Clarke Polaris Institute - Canada Edward Goldsmith The Ecologist - U.K. Randall Hayes Rainforest Action Network - U.S. Colin Hines Protect the Local, Globally - U.K. Martin Khor Third World Network - Malaysia Andrew Kimbrell International Center for Technological Assessment - U.S. David Korten People-Centered Development Forum - U.S. Tim Lang Center for Food Policy - U.K. Sara Larrain RENACE (Chilean Ecological Action Network) - Chile Jerry Mander Public Media Center - U.S. Anuradha Mittal Institute for Food and Development Policy - U.S. Helena Norberg-Hodge International

Society for Ecology and Culture - U.K. Mark Ritchie Institute for Agriculture and Trade Policy - U.S. Vandana Shiva Third World Network - India Steven Shrybman West Coast Environmental Law - Canada Victoria Tauli-Corpuz Indigenous Peoples' Network for Policy and Education - Philippines Lori Wallach Public Citizen - Global Trade Watch - U.S.

## **RECENT PRESS ON THE WTO/TRADE**

### **WTO TARGETED BY CRITICS AT SEATTLE U TRADE FORUM**

(Seattle Post-Intelligencer; 06/02/99) Bill Bryant knew he would face some critics, but he hadn't expected this. Invited to a forum at Seattle University last week to speak in favor of the **\*\*World Trade Organization\*\***, he found himself the only one of five panelists clearly defending it, and with the audience clearly against him.

Bryant, of Bryant Christie Inc., trade consultants, spoke on behalf of the Washington Council on International Trade. The four other panelists ranged from progressive to Marxist to deep green. The forum was occasioned by the WTO's plan to hold a meeting of trade ministers in Seattle Nov. 30 to Dec. 3.

Bryant started with a technical description of how the WTO resolves trade disputes. The audience wasn't interested; it was focused on the fundamental questions. The criticism that resonated most with the audience was the argument by Sally Soriano of the Washington Fair Trade campaign, who denounced the WTO for subjecting national laws to "an anti-democratic panel of three trade bureaucrats, operating in secret."

The WTO, she said, is "a supranational legal system for corporations, outside our constitution and courts."

An example, she said, was the dispute with Europe over hormone-fed beef. Europe's democratic governments banned it, and our beef industry, which uses hormones routinely, appealed to the WTO. The three trade bureaucrats agree with the American beef producers that the ban was an impermissible trade barrier.

Bryant defended the ruling. He said the Europeans had offered no peer-reviewed science to implicate hormone-fed beef. The WTO nations had promised each other to base their health restrictions on science - not necessarily majority science, but some science. Bryant said, "The EU could not base their regulations on theoretical uncertainties."

A woman in the audience said: "It was the people of Europe who wanted their meat without any hormones in it. The people, sir, do not have to base their desires on science."

But those democratic governments, Bryant replied, had promised not to ignore science. Because Japan had promised that, it is now on the verge of letting in Washington apples.

Besides, he said, the WTO's solution was not to trick Europeans about American beef, but to "label it as hormone-treated and let the consumer decide. If they don't want it, let them not buy it."

A man in the audience said, "People may decide they don't want these products, and decide that collectively." If people decide it individually, he said, they'll be manipulated by the corporate media.

I spoke up. If it's decided collectively, I said, will it be the people speaking - or the meat producers? It seemed the audience was taking an exceptionally idealistic view of politics.

"I go with 700 years of democracy," Soriano said.

The United States has democracy, but only for some kinds of decisions. If the Legislature in Olympia voted to ban the import of California wines, its law would be thrown out in court as a blockage on interstate commerce. If it targeted some ingredient in California wines as a hazard to health, and there was no science to back it up, the law would likewise be ejected.

The idea behind the WTO is that such rules should exist among nations. The WTO is often described as unconcerned with human rights, but what its sponsors seek to protect is a subset of them: the rights to buy and sell, to move one's goods and money across borders and to be treated the same in a foreign country as the business owners in that country. The WTO does limit democracy, as does the First Amendment's protection of free speech and public assembly.

It would be nice if countries all got together and agreed to protect civil and political rights too. But they are not about to do it; China, for one, would not be clamoring to sit down with 136 nations and talk about that. Political rights are domestic concerns. The trade rights of foreigners are international concerns, which is why there are WTO agreements.

The specifics of those agreements is another issue - and an important one. "We have an obligation to look at the system we're creating," Bryant said. He agreed with critics that the WTO dispute panels should not operate in secret. But some kind of rules are needed, he said, if the world is not to lurch back into the international chaos of the 1930s.

It was a powerful argument to him, but it didn't move the audience. The group simply had another agenda. It is tempting to ignore such critics, but smart that the Washington Council on International Trade did not. The WTO discussions ultimately depend on public support. The critics know that. Defenders should not forget it.

Bruce Ramsey's column appears Wednesdays. His e-mail address is [bruceramsey@seattle-pi.com](mailto:bruceramsey@seattle-pi.com).

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## **WTO: IS ITS CREDIBILITY IN PERIL**

<http://www.hinduonline.com/today/stories/0602000a.htm>

THE HINDU, Wednesday, June 02, 1999

JUST HOW long does it take for an international organisation set up under a general agreement to establish its credibility among member countries? The case in point is the World Trade Organisation (WTO) that completed four years and four months by April last. Ever since its creation, the WTO has been steeped in controversies, the latest one being its inability to nominate a new head after Mr. Renato Ruggiero of Italy stepped down on April 30.

Reaching a consensus on the new appointment has been made difficult by the intransigence of members with the leading trading partners U.S., Latin America and part of Western Europe supporting Mr. Mike Moore, a former Prime Minister of New Zealand, and most developing countries and Japan backing Mr. Supachai Panitchpakdi, Deputy Prime Minister of Thailand. It is generally agreed that a vote on the issue should be avoided, as countries that vote against the ultimate successful candidate may in future face negative reactions from a system that smacks of highly discriminatory powers under the dispute settlement process. Developing countries' concerns

One of the reasons for the crisis at WTO is due to the fact that perceptions of equitable, fair and free trade vary from country to country. Through the WTO, most countries were hoping to strengthen their current trade through access to new markets. At the same time, they were not inclined to further open up their own markets to others. With over three fourths of WTO members being from developing countries whose combined share in world trade in 1998 was only 26 per cent as compared to 70 per cent for the developed countries, any attempt at harmonisation is bound to be in favour of the stronger nations. Paradoxically, the developing countries' share in world trade have been declining over the last two decades, from close to 30 per cent in 1980. In such a lopsided environment, in spite of the so-called concessions available under the provisions of WTO, they are unlikely to improve their market share unless this matter, which hinges heavily on allowable tariffs to protect domestic industries, is sorted out at the ministerial meeting later this year. For example, India suffers due to high tariffs imposed by importing countries of the European Union on some of its important export commodities such as textiles and leather - the tariff is 12.1 per cent on textiles and apparel compared to an average of 4-5 per cent on industrial products. Another sensitive issue that affects the Indian pharmaceutical industry, which has attained a degree of maturity matching the developed world, is the allegation of dumping of Indian products - for example, ampicillin and amoxycillin - and the imposition of anti-dumping duties on them by the EU and South Africa. Along with many other issues affecting Indian industry, the number of disputes raised against India has risen to 20, ranging from prawn exports to India's automobile policies. For example, India's insistence that at least some

parts for automobiles have to be made locally are considered violative of WTO norms. Two way traffic While disputes over India not amending its Patent Law to be consistent with Sec. 70.8 and 70.9 of Trade Related Intellectual Property Rights (TRIPS) have been largely settled with Parliament passing the Patent Amendment Bill, several others are still pending with the European Union and the U.S. In general, what needs to be emphasised is that if the WTO is to be credible, it needs to ensure that market access is a two-way traffic with equal opportunities for developing and developed countries. Apart from manufactured goods, the differential treatment provisions for developing countries embodied in the WTO should be extended to the services sector where developing countries like India have major advantages. The justifiable concern of the developing countries is that the international trade regime monitored and policed by the WTO will be effective and advantageous for them only to the extent of the developed countries' political and economic will to support their growth and development. Increased market access can lead to deceleration of investments in developing countries thereby widening the gap between them and the developed economies. Yet another obvious fact is that countries like U.S. have not revoked many of their provisions to penalise their trading partners when their domestic economy is affected. Special and Super 301 provisions under the U.S. Trade Act are two examples of unilateral action within a professed multilateral system. Problems of the WTO also relate to those between two major trade partners - the U.S. and the European Union. With the trade between them exceeding \$400 billion annually, acceptance of the WTO regime unconditionally by these powers is crucial for the effective functioning of the organisation. Ever since the inception of the world body, disputes have arisen on a number of basic issues between these two, the most notable and publicised disputes being the trade in bananas, hormone-treated beef, genetically modified foods in general, noisy airplanes, European subsidies for Airbus and geographical indication dispute on the labelling of Californian wines as Champagne. The U.S. strategy has been to impose tariffs whenever it felt that unfair practices affect its domestic industries and then let the WTO rule under the dispute settlement provisions. Thus, while the U.S. threatened to impose levies on over \$520 million of imports from Europe to retaliate against its banana import policies, the WTO fixed the sanctions at \$191 million. Similarly, the U.S. is planning to impose



sanctions worth \$300 million if Europe does not lift its ban on import of hormone-treated beef.

The battle cry on this issue is loud and clear with Europe in turn wanting to ban all American beef unless they are proved to be hormone-free. Japanese steel makers dispute the ruling by the U.S. Commerce Department that Japan was dumping hot-rolled steel in the U.S. market. To what extent the WTO will be able to settle these disputes between the trading giants in a manner acceptable to both parties and in the event, one of the parties is

aggrieved, what course it will take, remains to be seen. The credibility of the system will depend on the ultimate outcome on these major disputes. China's entry It is paradoxical that even though 134 countries are members of the WTO, China, the eighth largest exporting country after the U.S., Germany, Japan, France, Britain, Italy and Canada, with exports worth \$180 billion (together with Hong Kong \$353 billion) has not been admitted to the WTO. According to the rules governing entry, major trading partners of the country in question have to approve its entry. In the case of China, the U.S. is its largest trading partner, and therefore, China needs U.S. approval for its entry. The U.S.-China relationship has always been complex with the corporate world ever so eager to set up base in China, as major supply points even for the U.S. markets. In the field of electronic and electrical goods and various commodity items, the U.S. market is flooded with Chinese products. Four plants in China are producing toys for Mattel, the world's largest toy manufacturer. Tens of thousands of Barbie and other branded dolls are made in China. As against this, the U.S. Government believes that, with balance in trade between the U.S. and China very much in favour of the latter, unless more concessions are available for U.S. companies to gain market access to China, the U.S. economy, through bilateral trade, will be seriously affected. It is against this background that China's attempt for the last 13 years to join the WTO or its earlier version, the General Agreement on Tariffs and Trade (GATT), has been thwarted by the U.S. The Chinese Premier, Mr. Zhu Rongji, during his recent visit to the U.S., assured that several major concessions had already been granted to the U.S. that should make it possible for China to gain entry into the WTO. For example, China insists that it has cleared the way for export of U.S. wheat and citrus fruits, allows 25 to 30 per cent equity holding for foreign companies in the Chinese telecommunication industry and has opened up further the insurance sector for foreign companies. The U.S. still feels that these concessions have not gone far enough to justify early entry of China in the WTO. On the financial sector, the U.S. does not want China to devalue its currency to create new export opportunities for its industries and further upset the trade deficit. NATO activities against Yugoslavia and the recent bombing of the Chinese Embassy in Belgrade have further complicated pending issues even though there is a general feeling that separating politics from trade matters will be advantageous to both parties. In the recent trade talks organised by Japan's Ministry of International Trade and Industry (MITI) between the U.S., Japan, European Union and Canada in Tokyo, China's admission was on the top of the agenda. The Pacific Economic Co-operation Council (PECC), consisting of business leaders, government officials and academics that report to the Asian Pacific Economic Co-operation Forum (APEC), declared that China's membership of the WTO is critical to sustain recovery and growth in the

Asia-Pacific region. What then are the credibility problems? Unlike in the case of the IMF, the World Bank and the International Court of Justice, world trade is far too close to the political systems and economic well being of countries. One of the cardinal objectives of setting up the new body was to ensure that protectionism, which is counter to free trade, will be minimised. However, when countries differ so widely not only in their economic status but also in their labour, service and environmental standards, attempts at harmonisation become perilous. The frame of reference and the rules for member countries thus will need to be re-evaluated taking all these aspects into consideration. Second, the WTO today is largely reactive rather than pro-active, which means that much of its time and energy are devoted to settlement of disputes rather than their avoidance. Third, rulings of WTO have not only to be fair but have also to be seen as fair by all members and once they are made, have to be implicitly complied with by all including the U.S. and the EU. Fourth, consensus, which is the preferred route for administrative changes, seems to be running into rough weather as in the case of nomination of the new head. Fifth, the timing of the coming into being of WTO in retrospect looks to have been jinxed. As many developing countries went through a financial crisis and serious unemployment problems, further liberalisation of domestic policies as required by the WTO is deemed to have disastrous

consequences. Sixth, some of the world's leading countries like China are yet to be admitted to the WTO. Finally, the organisation has problems of managing its affairs due to lack of adequate and appropriate skilled manpower and even financial resources. It has been stated that the annual budget for WTO today is only \$80 million, equivalent to the travel budget of the IMF. What should be India's strategy? Most countries are gearing themselves to present their cases at the ministerial conference to be held in Seattle in November. Members of regional trade blocs, set up partly as preferential trade areas, are getting together to define their approach and strategies. The recent quadrilateral meeting of Japan, the U.S., the EU and Canada, discussed in detail all issues impinging on trade between them and the rest of the World. This group which commands two thirds of the world trade wants to redefine the contours and nature of global trade. The 15-nation EU is meeting to discuss priority for a comprehensive round of trade talks. The Pacific Economic Cooperation Council (PECC), part of APEC, is planning to discuss the Pacific Rim's role in world trade. India, which is not a member of any of these powerful trading blocs, has a great obligation to restructure its policies and evolve common interest groups to pursue its own goals for increased trade and economic growth. The three segments identified as high priority areas for further negotiations at the proposed talks in Geneva in January 2000 are agriculture, services and import tariffs - all three of great importance to the Indian economy.

Growth in Indian exports had shown a sharp decline in the last two years.

In the last 12 months, exports were \$34.1 billion compared to \$180 billion from China, \$119 billion from Singapore, \$71.6 billion from Malaysia and \$52.4 billion from Indonesia. It is imperative that all issues connected with trade in items, where India has inherent advantages to produce and market, should be studied in detail for ensuring meaningful pro-active negotiations at the summit in Seattle and at the next round of trade talks in Geneva.

M. D. Nair

## **WALL STREET JOURNAL, FRONT PAGE**

Friday, April 23, 1999, Front Page, Washington Wire

"Seattle is Bracing for Protestors at a Trade Meeting in November"

Greenpeace, Friends of the Earth and the Sierra Club plan big showings at a World Trade Organization gathering to protest environmental harm from globalization. Steelworkers hope to turn out 50,000 people to protest labor disparities. The Web Site of activists group Public Citizen says: "Mobilization on Globalization. If you oppose the WTO, you must go to Seattle."

Seattle's City Council takes a stand on treaty talks, voting to make the city a global-investment-treaty-free zone. China could be a new WTO member at the November round of global talks. Americans, by 60% to 26%, think China joining the WTO would have a major impact on the U.S. economy.

Planners picked Seattle partly because of its experience with environmental protestors; "It's going to be like Chicago '68," says one trade lobbyist.

## **WHAT ORGANIZATIONS ARE ACTIVE ON TRADE ISSUES?**

### **PUBLIC CITIZEN'S GLOBAL TRADE WATCH**

Global Trade Watch is the Public Citizen division that fights for international trade and investment policies promoting government and corporate accountability, consumer health and safety, and environmental protection through research, lobbying, public education and the media. Global Trade Watch is on the cutting edge of research and advocacy in the field of international trade and investment. Public Citizen is a national consumer and environmental organization founded by Ralph Nader in 1971.

To contact Global Trade Watch, visit their website at <http://www.tradewatch.org>, or email: [gtwinfo@citizen.org](mailto:gtwinfo@citizen.org)

The GTW website contains many valuable links on issues such as: The Multilateral Agreement on Investments (MAI), The North American Free Trade Agreement (NAFTA), Trade and the Environment, and many more.

### **THIRD WORLD NETWORK**

The Third World Network is an independent non-profit international network of organizations and individuals involved in issues relating to development, the Third World and North- South issues. Its objectives are to conduct research on economic, social and environmental issues pertaining to the South; to publish books and magazines; to organize and participate in seminars; and to provide a platform representing broadly Southern interests and perspectives at international fora such as the UN conferences and processes.

Its recent and current activities include: the publication of the daily SUNS (South - North Development Monitor) bulletin from Geneva, Switzerland, the fortnightly Third World Economics and the monthly Third World Resurgence; the publication of Third World Network Features; the publication of books on environment and economic issues; the organizing of various seminars and workshops; and participation in international processes such as UNCED and the World Bank - NGO Committee. The TWN also has a collaborative relationship with the South Centre in Geneva, and has been invited to participate in the Non- Aligned Movement's Expert Group on Third World debt.

Contact address: Third World Network, 228 Macalister Road, 10400 Penang, Malaysia.

Telephone: 60-4-2266728/2266159 Fax: 60-4-2264505

E-mail: [tw@igc.apc.org](mailto:tw@igc.apc.org), [twopen@tw.po.my](mailto:twopen@tw.po.my) URL: <http://www.southbound.com.my/souths/twn/twn.htm>

## ARTICLES ON TRADE/WTO

### WHY DEMOCRATIZE THE GLOBAL ECONOMY?

From the New Economy Information Service, <http://www.newecon.org>

A central feature of the global economy is increasingly mobile capital. To attract it, governments, like companies, can adopt "high road" competitive strategies to improve infrastructure, expand workforce training and education, increase transparency, simplify regulations, reduce corruption, safeguard a free press, and guarantee the rule of law. Or they can take the "low road" and lower labor standards, reduce public spending through cuts in education and health, take bribes, do favors for cronies, take on unsustainable debt, subsidize industries with political connections, and hide unpleasant financial statistics. There is evidence that democracy, especially in the more developed countries, encourages high-road strategies that result in greater prosperity. National institutions have developed to regulate market competition and mitigate its social disruption. At the global level, however, few such institutions exist. As a result, pressures on governments to abandon high-road strategies have increased.

The current system of international trade and investment appears increasingly difficult to sustain politically. The world economic crisis and the human havoc that it has wrought, as well as the continuing insecurity about jobs and income inequality in this country, have created a backlash against globalization.

Can a new consensus be crafted based on a democratic framework of rules for the global economy that balances the needs of commerce with the quest for democracy, workers' rights, and religious freedom?

This section of NEIS considers several mechanisms for democratizing the global economy, including:

A non-protectionist enforcement mechanism to ensure that internationally recognized core worker rights and environmental protections are not undermined by unfair trade and investment practices. An international financial mechanism to discourage short term capital flight and currency speculation, and encourage long-term productive investment. Conditioning aid and international loans on respect for worker rights. The use of economic sanctions to further democracy, respect for human rights and religious freedom. Use of independent monitoring of corporate codes of conduct. One difficulty is that large, international public institutions may themselves undermine democracy if they are excessively bureaucratic and remote, making their decisions removed from the public eye. Their development must therefore go hand in hand with a flowering of global civil society -- a proliferation of cross-border NGOs, environmental groups, trade unions, and independent media which have access to information and can monitor the conduct of multinational bodies, be they corporations or public institutions. Another difficulty arises when decisions of international institutions are subject to veto by countries that are themselves undemocratic. Can such institutions be structured in ways that ensure control by democratic governments while allowing economic sanctions and incentives to be used to foster the democratization of the world's remaining dictatorships?

The transition to a more democratic system of global economic governance will be long and difficult. One way to start building is through the Transatlantic community, where all the countries are democratic and roughly at the same level of development, thereby lessening fears that such

mechanisms can be misused for protectionist purposes. The recent election of social democratic governments in major European countries provides a window of opportunity for creating a viable Third Way for the global economy.

## **WTO AGREEMENTS: IMPLICATIONS AND IMBALANCES**

By Bhagirath Lal Das

This paper, by the former Director of UNCTAD's Trade Programmes, provides a critique of some of the imbalances existing in the Uruguay Round agreements, for the South countries. He argues that since these agreements were targetted to obtain commitments and concessions from the South, severe imbalances with adverse effects have resulted for the South. Thus, the South should aim to correct these imbalances and allow the WTO system to work for them.

Read the full text of the article at:

<http://www.southbound.com.my/souths/twn/title/imp-cn.htm>

## **WHAT'S AT STAKE? KEY ENVIRONMENT ISSUES IN THE UPCOMING WTO NEGOTIATIONS**

What's At Stake? Key Environment Issues in the Upcoming WTO Negotiations Discussion Paper Prepared for the IFA meeting, Cuernavaca, Mexico February 4, 1999 -----  
The following topics are major environment and health items currently being debated in the run-up to the World Trade Organization ministerial.

### **Forestry**

The United States government has proposed that a zero-tariff forestry and wood products agreement get completed for signing at the Ministerial meeting in November in Seattle. This agreement is designed to greatly accelerate the importing and exporting of logs and other timber products and would be counter to current efforts to both protect the forests as eco-systems and to control climate change. Marine Conservation

A small group of nations has proposed that fishing issues become part of the WTO negotiations in November. At the same time, recent rulings by the WTO on the US Marine Mammal Protection Act, including the overturn of U.S. rules designed to protect dolphins and sea turtles, are likely to become the basis for more strict limits on the rights of countries, including the US, to use domestic laws to protect marine life.

### **Climate Change & Greenhouse Gas Emissions**

One result of the Uruguay Round agreement is a significant increase in the emission of climate changing gases due to increasing importing and exporting and due to the increasingly energy intensive production practices in agriculture and other sectors that have occurred as a result of the GATT/WTO. There are new proposals to alter WTO trade rules to encourage changes in the farming and food systems to reduce greenhouse gases emissions. In addition, many groups are calling for formal recognition by the WTO that Multilateral Environmental Agreements (MEAs), like the Montreal Protocol or the Convention on Biodiversity, cannot be compromised in any way

### by trade rules or trade practices. . Loss of Genetic Resources

Under the Uruguay Round agreement, the ability of nations to protect their genetic resources was limited, while large-scale, mono cropping was encouraged. The resulting loss in biodiversity has been dramatic. There are proposals to change WTO trade rules to encourage the protection of nature and expansion of biodiversity.

### Genetically Modified Foods

Under current WTO rules, countries have the right to limit growing and/or importing of genetically modified plants and animals. Many see this right as crucial for human, plant and animal safety, and the protection of biological diversity. There are proposals to have the WTO remove the right to regulate bio-engineered crops, livestock or foods.

### Sui Generis and other Intellectual Property Rights Issues

Under the Uruguay Round, local communities maintained the right to protect indigenous plants and animals under special rules, called Sui Generis (which stands for "local system"), which permits them to protect their food supply. There is a proposal from the United States, as part of the re-negotiations of the Trade-Related Intellectual Property Rights (TRIPS) provisions of the WTO, to remove this provision and to require all nations to enact western style patenting laws for all plants and animals. Many governments and NGO groups oppose this proposal arguing it would be a disaster on an economic and ecological basis and have proposed that the Sui Generis system be reinforced and that the WTO fully respect the Convention on Biodiversity and other related Multi-Lateral Agreements on the Environment.

### Patenting of Life

Several governments are pushing to have new WTO rules which would make it illegal for national governments to ban the patenting of life forms. Many nations are working to stop biopiracy and to protect the rights to ban the patenting and ownership of humans and other animals and are calling on the WTO to fully exclude from intellectual property (TRIPS) provisions all biodiversity-related products and processes.

### Environment Procurement and Eco-labeling

An essential policy for encouraging environmentally sustainable has been government purchasing of products meeting specific production characteristics, such as zero-emission cars, solar-powered electrical sources or organic foods. There are proposals to prohibit government agencies from this kind of preferential treatment in purchasing. At the same time, recent rulings by the WTO on eco-labels make it much harder to build consumer confidence. Both eco-labels and procurement will be key items in the next WTO negotiations.

### Currency Fluctuation

Many governments have been seriously hurt by unstable currencies since the Uruguay Round, forcing some like Brazil to abandon environmental protection laws and regulations altogether. Although there were proposals to address currency fluctuation problems in the WTO before, they were rejected by the United States and other countries. The new round of talks must tackle the issue of currency instability, including addressing the negative impacts on the environment.

### Agreements on Investment

There are proposals for new rules on foreign direct investment that would limit the right of governments to require environmental protections and other regulations on foreign investments. An earlier proposed agreement, called the Multilateral Agreement on Investment, or MAI, was condemned by environmental groups for reason and they have strongly oppose proposals by the

US government to include this agreement in the WTO.

#### Food Safety

The Uruguay Round agreement greatly increased the volume of goods moving in international trade, while IMF structural adjustment programs, national budget cuts, and reduced tariff revenues have cut funds available for safety inspections of import. One result is a sharp increase in food safety problems -- including increasing numbers of deaths from food poisoning and contamination. There are proposals to raise food safety standards and take other measures to reverse this trend.

#### Consumers Right to Know and Labeling

The US government is proposing that the next WTO talks prohibit or limit a country's right to label products according to potential pesticide or hormone residues, origin, genetic manipulation, production method (e.g. organic) or other characteristics. Many countries, consumers and environmental groups oppose this proposal. Consumer labeling is another important tool for insuring consumer rights to choose and to encourage the purchasing of products that meet high environmental standards. There are proposals to prohibit or limit the right of producers meeting these higher standards from using consumer labels to provide consumers with an option or choice.

#### Food Security

Many of the provisions of the Uruguay Round agreement have negatively impacted the food security of many South countries. This impact was foreseen at the end of the Uruguay Round talks, and a special accord, called the Marrakech Agreement, was signed by all the parties guaranteeing special assistance to poor countries who suffered a loss of food security as a result of the Uruguay Round agreement. Despite serious negative impacts on many countries, this agreement has not been implemented.

For further information on these or other environmental topics contact the Institute for Agriculture and Trade Policy 2105 First Avenue South, Minneapolis, Minnesota 55404 USA phone 612-870-3400, fax 612-870-4846 <http://www.iatp.org>

## **WHERE CAN I FIND MORE INFORMATION?**

### **WTO BOOKLET: TRACK RECORD AND EXPECTATIONS**

A coalition of organizations have been developing a booklet describing what the World Trade Organization (WTO) is, it's track record and what we can expect to see in the upcoming Ministerial Meeting in Seattle (November 29 - December 3). Some of you may remember the "MAI - Democracy for Sale?" booklet that was produced in 1997 and distributed to activists.

The WTO Booklet will be similar to the one on the MAI. It will be business envelope size with a 100 pound 3- color cover and 24 interior pages for text. It's primary audience is activists and

organizations in the U.S. It will not require a lot of prior knowledge of the WTO or the globalization debate. This booklet will be a key tool leading up the Ministerial, and beyond.

Order it now to make sure that your organization, fellow-activists, friends and family can become educated on the WTO! We are currently finalizing the booklet, and are planning to have it printed and ready for shipment by the end of June.

Index for booklet: The WTO and Corporate Globalization What is the WTO and How It Works  
The Record of the WTO: A Threat to Democracy, Health and the Environment The Agreement on  
Agriculture The SPS Agreement The Trade-Related Aspects of Intellectual Property (TRIPS)  
Agreement MAI in the WTO Global Free Logging Agreement Competition Policy WTO &  
Procurement What's up for the WTO in Seattle? Take Action! Glossary Resources Contacts

We have gotten a great deal from the printer, and depending on how many booklets are ordered, they will cost between 29 and 38 cents. WE ARE STARTING TO TAKE ORDERS FOR THE BOOKLET. PLEASE PLACE YOUR ORDER NOW! Make out your checks directly to the printer. The amount of booklets you receive depends on how many orders we get. For more information contact Margrete Strand, Public Citizen's Global Trade Watch, 202-546- 4996/  
mstrand@citizen.org

### **NATIONAL FARMERS UNION, CANADA: THE UNION FARMER QUARTERLY**

The Spring, 1999 issue of The Union Farmer Quarterly (a publication of the National Farmers Union, Canada), is called "Focus on the WTO."

Including articles such as "Into the future: Getting Ready for WTO Agriculture Negotiations," which includes background on the WTO, dispute settlements, major themes in the upcoming negotiations on agriculture, market access, export competition, domestic support, etc. this issue provides an excellent, readable summary of what's at stake in November and beyond for agriculture.

The NFU can be reached at: 250C - 2nd Avenue South Saskatoon, Saskatchewan Canada S7K 2M1 Phone: 1-306-652-9465 Fax: 1-306-664-6226 Email: nfu@sk.sympatico.ca

## **AND THE WTO SAYS...?**

### **MISUNDERSTANDINGS ABOUT THE WTO??**

On the World Trade Organization's website: The WTO refutes the "10 Common Misunderstandings About the WTO," which addresses questions like:



"Is it a dictatorial tool of the rich and powerful? Does it destroy jobs? Does it ignore the concerns of health, the environment and development?"

And the answer?

"Emphatically no. Criticisms of the WTO are often based on fundamental misunderstandings of the way the WTO works."

Read the full report at: <http://www.wto.org/10mis/10mis00.htm>

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