

# WTO

# WHAT'S AT STAKE ?

## WTO Seattle—Getting Beyond “No”

Mark Ritchie, President IATP

The recent World Trade Organization (WTO) Ministerial talks in Seattle failed largely because the negotiation process was undemocratic. Negotiators from nearly all of Africa, Latin America and the Caribbean and parts of Asia bitterly condemned the talks as coercive and exclusionary. Accordingly, these representatives of the South would not agree to a new round of talks.

These complaints were not new; in fact, the WTO process has been described as undemocratic for years, both from the “inside” by delegates and from the “outside” by non-governmental advocates. In the past, however, protesting delegations had always been forced by superpower pressures to go along with the prescribed agreement.

But this time it was different. There was near unanimity between and among the key forces: leading Southern country delegates to the Ministerial and non-governmental representatives inside and outside the meetings. Several Third World delegates confirmed that they found the strength to hold to their positions in part from the powerful, ever-present voice of public protest outside the meeting halls.

These protests included newspaper advertisements opposing expansion of the WTO from groups ranging from the Swiss Parliament to the Humane Society of America. It was the first time, in my memory, where the developing nations stood fast against the trade agenda of the economic superpowers.

### The Broader Implications

“WTO Seattle” was, as the papers called it, the first post-modern global gathering—both within and outside the Ministerial. Freed from Cold War-era alliances and constraints, and taking lessons from past trade agreement failures, the nations of the South combined with representatives of civil society to write a new chapter in global governance. The outcome creates the possibility of far-reaching change in the WTO, in the broader Bretton Woods economic system, and in global governance. Civil

society has moved to the center stage in these affairs.

Inside the WTO, the old process, whereby the United States (US) and European Union (EU) cut a deal and then imposed it on everyone else is, I believe, a thing of the past now. Almost all the member countries, rich and poor, are insisting on a new process—one that is more inclusive and democratic.

At the same time, major changes are needed to include civil society in a formal way in both future ministerial meetings and in the on-going WTO process. If the WTO cannot be changed sufficiently to accommodate these demands from governments and citizens, it will become unmanageable.

In the broader Bretton Woods system there is already an active re-examination of the entire system taking place, with literally hundreds of think tanks and academic institutions working to evolve from the Bretton Woods system of international economic management. This we call the “new architecture” for the global economy. Until now, the WTO has been conspicuously absent from many of these discussions although it is the third leg of this system, along with the World Bank and the IMF. Wholesale reform or restructuring of the entire system is now much more likely in the aftermath of the WTO’s organizational failure in Seattle.

With respect to global governance, I believe that something profound happened in Seattle. The process of re-examining the framework and rationale behind the entire system of global governance has taken a giant leap forward.

First, the need for global cooperation has never been more apparent. Protesters and delegates alike raised an impressive range of issues, nearly all of which will require coordinated action over long distances and democratic global rules and procedures to address. Those raising concerns about the loss of species and biosafety wanted to reinforce the global Convention on Biodiversity. Those concerned with protecting children from employer exploitation or slavery

demanded globally effective sanctions.

In some instances, the need was to change existing global rules. An excellent example is the Nobel Prize-winning group, Doctors Without Borders, that led an effective campaign “across borders” to convince delegates to give special global protection to essential medicines from intellectual property rights. The need for coordination and democracy across borders was highlighted over and over throughout the ministerial—both inside and outside.

Second, we have transformed the “table” of global governance. Civil society has joined national governments and multilateral institutions in a full-scale debate on the shape of global decision-making and governance in the future. In Seattle, the credibility of global institutions, such as the WTO, as managers of global affairs has been deeply damaged. National governments were able only to defend their national interests and were therefore unwilling and unable to tackle truly global concerns, especially in the environmental and human rights arenas. The WTO, itself a reflection of these national governments, was deadlocked by the same limited vision and narrow interests.

A half-century ago, delegates from many nations came to San Francisco to create the United Nations. They engaged in a great debate over the opening language of the founding charter for the UN. Many governments wanted the Charter to declare that “We the governments” of the world were creating the UN. The representatives of civil society present in San Francisco fought for language that declared that “We the people” were creating, legitimizing, and empowering this new global institution.

The same debate over control of global affairs continues today. In Seattle civil society said to the world that global affairs are much too important to be left up to national governments or global bureaucracies. We have announced that we are ready to engage in a dialogue with others concerned with global governance: governments,

Beyond Seattle —continued inside

## GLOSSARY

**Bretton Woods**—The site of the post WWII discussions which led to the creation of the World Bank, the International Monetary Fund (IMF), and the GATT.

**Biodiversity**—The awesome diversity of species and genetic diversity within species that constitutes the complex web of interdependent organisms.

**Copyright**—an intellectual property right that registers your right to certain work, such as written works such as a play or book, or photographs, etc.

**Countervailing duty**—a duty levied on the import of certain foreign goods when it is felt that they were produced under conditions amounting to unfair trade practices.

**Country of origin or source country**—the country from which an item is imported if that country is where the item was made.

**Dumping**—When products are sold in a second country at prices below the cost of production in the home country, an anti-competitive practice exercised by those exporters seeking to gain market share by wiping out the local competition.

**Dumping duty**—a duty levied on items brought into the U.S. when those items are believed to have been dumped in the country. May apply if items were previously dumped, even though current prices do not indicate dumping.

**Duties**—fees paid on items as they pass the border of a country. Duties are based on many things, sometimes on the value of the item, as a percentage of the value, or based on quantity, or both.

**Fast Track**—Legislation granting the U.S. president authority to negotiate trade agreements and preventing Congress from amending any trade deal submitted by the Executive branch, effectively restricting Congress to an up/down vote contrary to the U.S. Constitution.

**Food security**—Concept which discourages opening the domestic market to foreign agricultural products on the principle that a country must be as self-sufficient as possible for its basic dietary needs.

**GATT**—"General Agreement on Tariffs and Trade." Formed in 1947 to regulate international trade. Met periodically to negotiate lower trade tariffs on goods and, in later years, non-tariff barriers to trade as well.

**Intellectual Property Rights (IPRs)**—Legal rights (patents, copyrights, and trademarks) granting individuals or, more often, corporations the right to exclusively market "products of the mind" such as designs, technologies and other intellectual products.

**Harmonize**—To make consistent (i.e. to find the lowest common denominator) the trade standards used by all WTO members to ease and accelerate the flow of trade.

**Liberalized trade**—The elimination of government regulations on imports, primarily, with the ostensible goal of increasing trade and thereby economic growth. Nothing in trade liberalization, however, ensures that the economic gain will "trickle down," and the elimination of many regulations can jeopardize health, safety, and other social protections.

**Multilateral vs. Bilateral vs. Unilateral**—The WTO in theory fosters multilateral negotiations among all of its members. In reality, due to the global power structure, many decisions are still made bilaterally (between two countries), principally between the US and European Union. The United States, in particular, is renowned for its exercise of unilateral trade sanctions—that is, withholding commerce from other countries in order to force them to change their policies to the U.S.' liking. Unilateral sanctions are GATT-illegal, but only recently has the EU objected while other countries lack the economic power to object.

**NAFTA**—"North American Free Trade Agreement." A regional treaty established in 1994 liberalizing trade among Canada, Mexico and the U.S., establishing rules and institutions much like the WTO.

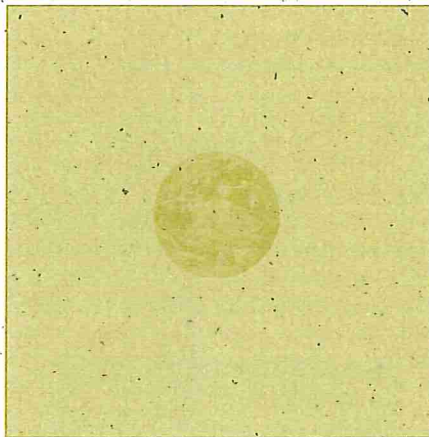
## What's at Stake? Key Issues in the Upcoming WTO Agriculture Negotiations

Despite the failure of the WTO to reach an agreement during the Seattle Ministerial, the following key topics are part of the "built-in agenda" as agreed to at the end of the Uruguay Round. IATP's suggestions are intended to achieve food security and safety, support family farmers and peasants, and to promote sustainable rural economic development.

### FOOD SECURITY ISSUES

#### Food Stocks and Emerging Supplies

One of the most dramatic outcomes of the Uruguay Round General Agreement on Tariffs and Trade (GATT) agreement was the elimination of government-controlled emergency food stocks. This has led to shortages (causing record high prices) in some years and uncontrollable surpluses (causing record



low prices) other years. We need new WTO rules that encourage emergency food stocks instead of discouraging them.

#### Import Controls and Safeguards

The Uruguay Round eliminated previously enacted GATT rules that permitted quantitative import controls to protect food security and small-scale farmers. The controls were permitted only when used in conjunction with domestic supply and demand balancing policies, often called inventory control or stocks management. The current rules permit countries to impose high tariffs with or without supply management requirements and are subject to undermining by currency manipulation. We need to return to previously successful GATT rules permitting import controls.

#### Price Stability

A number of the new rules for agriculture trade resulting from the Uruguay Round agreement have led to a dramatic increase in price instability in many basic food crops. Since enactment, global prices for the world's major crops, such as corn, soybeans, wheat, cotton, and rice have reached 20-

year record lows and highs. The years of low prices have ruined millions of farmers and the years of high prices have led to sharply higher food import bills for most developing countries. Unable to afford these expensive prices, many countries have cut back on food imports leading to malnutrition and even starvation. We need to change the rules to permit countries to stabilize prices at levels fair to farmers and consumers.

#### Export Dumping

WTO rules normally prohibit exporting companies from selling products at prices below the cost of production, an unfair trade practice commonly called "dumping." The current WTO ag trade rules encourage dumping. We need to prohibit food dumping.

#### Export Subsidies

One of the ways that corporations are able to dump is through a variety of export subsidies. Current WTO rules permit and in some cases promote direct and indirect export subsidies, like export credit guarantees and some food aid programs. We need to prohibit all forms of export subsidies.

#### Export Controls and Regulations

Current WTO rules permit countries to regulate the volume of exports by corporations of their basic food crops in times of shortage. We need to stop attempts to use the WTO to prevent governments from using export controls when necessary to protect food security.

#### Food Security and the Marrakech Agreement

Many of the provisions of the Uruguay Round agreement have negatively affected the food security of many developing countries. This impact was predicted at the end of the Uruguay Round talks, and a special accord, called the Marrakech Decision, 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 negative impacts on many countries, as documented by the United Nations Food and Agriculture Organization, this Decision has not been implemented. We need to ensure the proper implementation of the Marrakech Decision and other food security proposals, including provisions in the next WTO agreement that would protect all food security measures from attack.

### FAMILY FARMER, PEASANT, AND FARMWORKER ISSUES

#### Family-Farm Support Programs

Current WTO rules limit the rights of governments to take actions (tax reforms e.g.) to encourage and support family farmers. One result is the massive growth in corporate-owned, industrial-style livestock facilities. We need to alter WTO rules to allow governments to take steps to protect and encourage family farms and to discourage industrial-style agricultural production.

## Supply Management

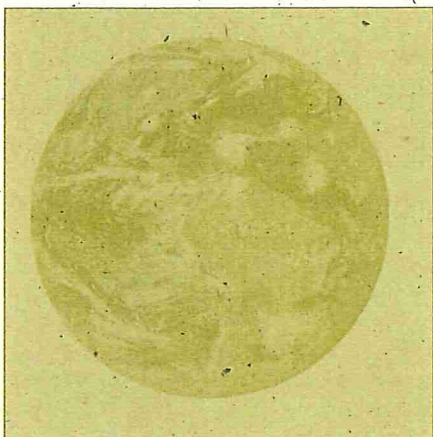
The Uruguay Round abolished the previous GATT rules (formerly Article XI) permitting countries to balance supply and demand through supply management. Citizen groups are calling for a restoration of Article XI rules and a commitment by the WTO to support, instead of opposing, domestic and international inventory management regimes.

## Farmworker and Migrant Labor Issues

While the WTO is pushing for the de-regulation and the elimination of all restrictions on the flow of goods services, and investment, it has refused, thus far, citizen demands that they consider the need for proper rules and regulations for labor and migration, including minimum labor standards, protection of the rights of migrant and immigrant workers.

## Indigenous Knowledge

Much of the food produced and consumed on the planet relies on local, indigenous knowledge of



plants, animals, climate, and other essential factors. The Uruguay Round agreement has resulted in the displacement of literally millions of the small farmers and peasants that developed and used this knowledge. We need to reform WTO rules to permit countries to protect indigenous producers, and fully respect multilateral agreements, like the United Nations Convention on Biological Diversity, with provisions to protect indigenous knowledge and rights. The U.S. Senate should take immediate action to ratify this Convention.

## Multifunctional Agriculture

Farmers provide a wide range of services to society, including employment, environmental protection, and the promotion of biodiversity. These valuable services need to be recognized and supported. Some governments are proposing to use the WTO rules to prohibit the recognition of these services. We need to make sure the new negotiations are not used to block the promotion of multifunctional agriculture.

## ENVIRONMENTAL PROTECTION ISSUES

### 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 farming, transport, food processing and distribution, and importing and exporting. We need to alter WTO agricultural trade rules to encourage changes in the farming and food systems to reduce greenhouse gases emissions. In addition, we need 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.

### Environmental Protection

Several of the new WTO agriculture rules have resulted in environmental destruction. For example, price cuts induced by export dumping and other WTO sanctioned predatory business practices have resulted in the abandonment of large areas of land in a number of countries, resulting in the loss of extremely valuable biodiversity and an increase in environmental problems such as soil erosion. We need to change a number of WTO agriculture trade rules to correct these problems.

### Loss of Genetic Resources

Under the Uruguay Round agreement, the ability of farmers to protect genetic resources was limited, while large-scale, mono-cropping for exports was encouraged. The resulting loss in biodiversity has been dramatic. We need to reform WTO agricultural trade rules to encourage the protection of nature and expansion of biodiversity, and we need to ensure that the WTO cannot stop any nation from protecting their biodiversity, and genetic resources from dangers being created by genetic engineering.

### Genetically Engineered Crops and Foods

Under current WTO rules, countries have the right to limit growing and/or importing of genetically engineered plants and animals. Many see this right as crucial for human, plant and animal safety, and the protection of biological diversity. We must make sure that the WTO does not in anyway restrict the right of individuals, communities or nations to protect themselves from known and unknown dangers of genetically engineered crops, animals or foods, including the right to require mandatory labeling of genetically-engineered foods and to ban products not proven safe.

## UNFAIR TRADE AND RESTRICTIVE BUSINESS PRACTICES

### Monopolies and Other Restrictive Business Practices

Since the signing of the Uruguay Round agreement, agribusiness concentration in all segments of the

food chain has led to near monopoly conditions in both the farm supply industry (credit, fertilizer, equipment, etc.) and in the food processing and distribution systems (milling, retail). We need to incorporate anti-monopoly (anti-trust, pro-competition) policies in the next WTO talks that would address a wide range of restrictive business practices to all sectors, including agriculture.

### 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 (in effect, "local system,") which permits them to protect their food supply resources. The United States has proposed, 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 U.S. style patenting laws for plants and animals. We must oppose this proposal and work to ensure that the Sui Generis system is protected.



### Patenting of Life

Several governments are pushing to have new WTO rules that would make it illegal 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. We need the WTO to fully exclude from intellectual property (TRIPS) provisions all biodiversity-related products and processes and to ban the patenting of life. Current exemptions on patents for public policy objectives should be expanded rather than eliminated.

### Tariff Escalations

Current WTO rules encourage countries to increase tariffs for processed goods, even while they promote relatively low tariffs on raw commodities. This practice creates a situation where "value-added" processing is discouraged in the countries where raw commodities are the main source of export revenues, which are often poor countries in Asia, Africa and Latin America. We need new trade rules that eliminate tariff escalations on processed, or otherwise value-added, foods.

### Affirmative Procurement

An essential policy for encouraging local, sustainable agriculture has been government purchasing of products meeting specific production characteristics, such as organic production or locally produced. There are proposals to prohibit government agencies from this kind of preferential treatment in purchasing. These proposals need to be defeated, and we need WTO support for the right of governments to set standards for procurement based on sustainable development objectives.

### Currency Fluctuation

Many farmers and consumers have been seriously hurt by unstable currencies since the Uruguay Round. Although there were proposals to address this problem presented as part of the Uruguay Round, they were rejected by the United States and other countries whose banks benefit from speculation on currency volatility. The new round of talks must tackle the issue of currency instability, including addressing its negative impacts on food security.

### State-Trading Enterprises and Farmer-Owned/Controlled Trading Enterprises

A number of governments have proposed that the WTO prohibit state trading enterprises. These proposals are seen by many as an attempt to use the WTO to tie the hands of farmers and governments so that the grain trading monopolies can operate without competition. We need to block these attempts to corner the market while ensuring that global anti-monopoly rules apply to state-trading enterprises just as they apply to private enterprises.

### Multilateral Agreement on Investment

With the recent defeat of the Multilateral Agreement on Investments (MAI) in the Organization for Economic Cooperation and Development (OECD), some governments are attempting to revive this proposal by bringing it inside the WTO. Any MAI agreement would severely restrict the right of governments to protect their food security, to limit foreign and absentee ownership of food-producing land, and to regulate their currency and other aspects of their economy. Current MAI proposals would also allow transnational corporations to sue local, state, and national governments for loss of anticipated profits due to health and safety and other regulations as they have done under the North America Free Trade Agreement (NAFTA). We must continue to strongly oppose the inclusion of any aspect of this agreement in the WTO.

## CONSUMER ISSUES

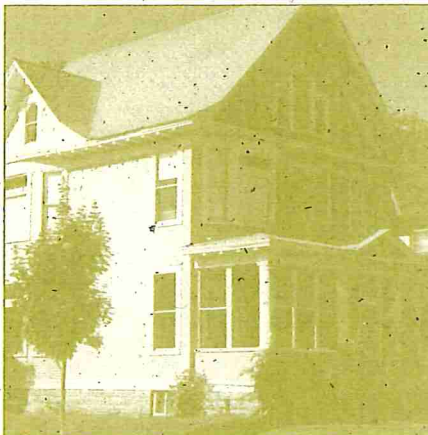
### Food Safety and the Precautionary Principle

Current WTO rules have greatly increased the volume of goods moving in international trade, but there has not been any increase in funds available for safety inspections of imports. One result is a sharp increase in food safety problems. We need to raise food safety standards and provide adequate

infrastructure and training to minimize food safety problems without interference from the WTO. In addition, we need to ensure that the WTO fully incorporates the Precautionary Principle and the right of countries to apply this Principle in all aspects of food safety and consumer affairs. Schemes to weaken food safety inspection, like HAACP (Hazard Analysis and Critical Control Points), should not be mandated by the WTO or WTO-related bodies like the Codex Alimentarius.

### Consumers' Right to Know and Labeling

There are proposals to use the next WTO talks to prohibit or limit a country's right to label products according to origin, genetic manipulation, production method (e.g., organic) and other characteristics. We need to make sure that the WTO cannot limit the ability of countries to ensure the consumer right to know, e.g., via mandatory labeling.



INSTITUTE  
for  
AGRICULTURE  
and  
TRADE POLICY

The Institute for Agriculture and Trade Policy is a research institute headquartered in Minneapolis, Minnesota. Founded in 1986, the mission of the Institute is to create environmentally and economically sustainable rural communities and regions through sound agricultural and trade policies.

Institute for Agriculture and Trade Policy  
2105 First Avenue South  
Minneapolis, MN 55404

Tel. 612-870-0453  
Fax. 612-870-4846  
email: [iatp@iatp.org](mailto:iatp@iatp.org)

[www.iatp.org](http://www.iatp.org)

## GLOSSARY

**Quotas**—specific limits on the quantity or value of certain items which can be imported.

**Services**—a "performance" product, i.e., a product which is not a good and which involves mostly the provision of assistance, advice or other help to the customer. Examples include accounting, legal services, architectural services, and engineering.

**SPS regulations**—Sanitary and Phytosanitary regulations—governmental standards to protect human, animal and plant life and health, to help ensure that food is safe for consumption.

**S&D**—"Special and differential treatment" provisions for developing countries. Contained in several WTO agreements.

**Subsidies**—payments or benefits given by one country to the manufacturers or producers of a particular product in their country to help them compete internationally or to give them an advantage.

**Tariff rate quotas**—quotas which allow certain quantities or values of an item to come into the country at a reduced duty rate. After the specific quantity or value is met, other items may be imported but the duty rate will be higher.

**TNC**—Transnational Corporations with operations in many different countries, maximizing their profits by siting various aspects of production - from raw materials extraction to labor-intensive assembly to packaging and shipping - wherever costs are lowest. As mergers and acquisitions eliminate competition in many sectors of the economy, a few TNCs can gain significant control of a market. With little competition and little government regulation, unfair trade practices often result.

**Trade deficit**—commonly used to describe the situation in which a country purchases more goods imported from other countries (imports) than that country sells in foreign countries (exports).

**Trade surplus**—commonly used to describe the situation in which a country exports more products (sells more product in foreign countries) than it imports (buys from foreign countries).

**Trademark**—a mark or symbol or sometimes even a name that is "owned" by a company which has registered the right to exclusive use of it.

**TRIPS**—"Trade-Related Intellectual Property Rights." The agreement under which IPRs were brought into the GATT/WTO during the Uruguay Round.

**Unfair trade practices**—activities considered to be unfair because they influence or affect the free trade of goods and services. Examples include subsidies and regulations prohibiting foreigners from selling certain products. The rules on which countries can use trade practices generally seen as unfair are complex, because some less developed countries have been allowed to keep some trade programs intact even though the programs may have some "unfair" aspects to them. The U.S. Trade Representative examines unfair trade practices and publishes a yearly summary of those practices (available through the government printing office).

**Uruguay Round**—The most recent round of GATT negotiations (1986-1992), which expanded the agreement to include other issues such as intellectual property rights and the "harmonization" of standards, and created the World Trade Organization (WTO) executive, judicial and legislative functions.

**WTO**—Created in January, 1995, to implement the Uruguay Round agreements and its new enforcement mechanism, a standing Appellate Body to review panel reports and render final decisions regarding disputes between WTO members.

# Beyond Seattle *continued from cover*

businesses, cultural institutions, and social movements. Global governance has been and will be transformed forever. We find this historic breakthrough deeply gratifying and inspiring.

The implication for civil society is enormous. We must find a way to engage governments and others in a dialogue on how we will organize global, long-distance and cross-border affairs. And we must develop the ideas and concepts that can address the problems that led to the collapse of the WTO talks, including ways to construct democratic debate and decision-making at this scale.

## The Road From Seattle: Getting Beyond "No"

Most of the civil society advocates gathered in Seattle were united in one demand — opposition to the launching of a new round of trade rule-making by the WTO.

Almost everyone believed that we needed to take stock of our current situation and to address very serious shortcomings and problems before considering whether and how to proceed. In this objective we were successful. This was, again, a breathtaking victory. For the overall WTO structure, many groups think we must either "fix it" or "nix it" in the coming months.

However, there are key WTO-led negotiations already under way in the areas of agriculture, services, and the patenting of life that will go forward despite the collapse in Seattle. We already know that the talks in these areas will be greatly accelerated in hopes of finding quick agreements to prove that the WTO is not dead or damaged.

Particularly in the agricultural area, there is great danger that these new agricultural talks will make matters even worse for farmers and fishers, both in the North and in the South. At the same time, the current WTO rules in agriculture have proven to be disastrous for both producers and consumers. They must be changed.

Before Seattle, we had very little hope of making any changes. After Seattle, the situation has changed completely. If the WTO cannot deliver a successful agricultural negotiation it may, in some respects, be placed on "life support." If the WTO continues to refuse to take our views and concerns into consideration, the outcome will most likely be unsuccessful and threaten the very survival of the WTO.

To test this opportunity we need to move quickly. We need an efficient and inclusive global process over the next months that can hammer out our ideas in three areas.

First, we need to determine areas in which we do not desire any WTO involvement whatsoever. Second, we need to highlight some of the areas of current WTO rules, such as prohibitions against the dumping of agricultural exports, where we want the WTO to start enforcing its own rules. Third, we need to identify key issues on which we want the WTO to take affirmative action. For example, we want the WTO to prohibit the patenting of life and essential drugs.

The victory in Seattle joins the denial of fast track negotiating authority to President Clinton and the suspension of talks on the Multilateral Agreement

on Investments (MAI) as proof of civil society's ability to block ill-considered initiatives in the global arena. We can say clearly what we do not support, and we can stop some of the worst threats. And we will continue to do so with ever-greater strength.

But Seattle also demonstrated that we are prepared to express our ideas on what is needed in terms of global governance and to engage in constructive dialogue on these ideas with all concerned actors, including governments, religions, cultures, businesses, and other global institutions.

Many of the groups from around the world that came together in Seattle will continue to work together at an even higher degree of cooperation on both WTO issues and on other global concerns. Agreements on specific activities such as the creation of a globally coordinated WTO lobbying operation and plans for regional and global meetings were hammered out. Some progress was made on the mechanics for on-going debate and decision-making, but a lot more work on this is needed.

Seattle will be remembered for many things, including the courage of the mostly young people who stood solidly and steadfastly in the face of a furious assault. My hope is that it will also be remembered as a watershed event—a time and place where "we the people" confronted dysfunctional and oppressive global institutions with new ideas and new energy. I hope that I will be able to look back someday soon and say that this Battle in Seattle helped jolt the world onto a new path, one leading toward a just and truly sustainable system of global governance and world peace.

## A Vision for Agriculture at the WTO

By Sophia Murphy, IATP Trade and Agriculture Program Acting Director

When government negotiators met in Seattle at the WTO Ministerial, agriculture was at the top of the agenda. For many countries in the world, agriculture is an important element of their export economy (sometimes the only element!), and it provides a livelihood for the overwhelming majority of their poor people. The serious disagreements over agriculture among the 135 (and counting) countries that belong to the WTO contributed to the ultimate breakdown in the negotiations. These disagreements can be traced back the Uruguay Round of the GATT, which delivered little on agriculture for the developing world. Despite the failure of the Seattle Ministerial, WTO negotiations on agriculture are scheduled to begin in 2000 as agreed to under the Uruguay Round Agreement on Agriculture (AoA).

The AoA has two objectives that, carefully defined, many non-governmental organizations support. The first is to remove "market distortions," which for us means breaking monopolies and oligopolies, banning patents on living organisms, building in differential treatment for poorer countries, and allowing countries to decide their priorities for food and agricultural policies, including the importance they choose to place on exports.

The second is the promotion of food security, which is mentioned in the agreement at the outset as an important "non-trade concern" but not addressed by the existing provisions. Those working to promote food security in the world know that food security is not about global food supply levels. It is about farmers, above all women, who put food on the table for their families. It is also about protecting indigenous cultures and biodiversity. It is about employment and having the means to secure food. It is certainly not about dependence on food aid, and it should not be dependence on world commodity prices either.

The first need—and this is an obligation under the existing AoA—is to review the implementation experience four years into the WTO. What happened? This should be an exercise for us, who eat, and for those who grow food. It is also an obligation of governments that are asking us to accept more deregulation in agriculture as the means to achieve the two goals mentioned above. So far, farm organizations, non-profit researchers, even multilateral organizations, are critical of the existing rules and want to see changes. We do not need more of the same.

Here are a few things that need to be put on the agenda or strengthened:

1. Prohibit the sale of agricultural products in world markets at less than cost of production.
2. Affirm the principle of special and differential treatment by allowing developing countries flexibility in managing their domestic agriculture and their trade policy.
3. Affirm the importance of other parts of the multilateral system, e.g., the Convention on Biological Diversity is the appropriate multilateral forum to address the use and exchange of biotechnology.
4. Ensure trade rules that allow domestic farm support programs that support small farmers, sustainable agriculture and safely produced healthy food.
5. Regulate the handful of companies that overwhelmingly dominate world (and sometimes local) trade in food to avoid the abuses and market distortions created by oligopolistic power.
6. Affirm the Precautionary Principle in considering the introduction and dissemination of new technologies.

# Beyond Seattle *continued from cover*

businesses, cultural institutions, and social movements. Global governance has been and will be transformed forever. We find this historic breakthrough deeply gratifying and inspiring.

The implication for civil society is enormous. We must find a way to engage governments and others in a dialogue on how we will organize global, long-distance and cross-border affairs. And we must develop the ideas and concepts that can address the problems that led to the collapse of the WTO talks, including ways to construct democratic debate and decision-making at this scale.

## The Road From Seattle: Getting Beyond "No"

Most of the civil society advocates gathered in Seattle were united in one demand—opposition to the launching of a new round of trade rule-making by the WTO.

Almost everyone believed that we needed to take stock of our current situation and to address very serious shortcomings and problems before considering whether and how to proceed. In this objective we were successful. This was, again, a breathtaking victory. For the overall WTO structure, many groups think we must either "fix it" or "nix it" in the coming months.

However, there are key WTO-led negotiations already under way in the areas of agriculture, services, and the patenting of life that will go forward despite the collapse in Seattle. We already know that the talks in these areas will be greatly accelerated in hopes of finding quick agreements to prove that the WTO is not dead or damaged.

Particularly in the agricultural area, there is great danger that these new agricultural talks will make matters even worse for farmers and fishers, both in the North and in the South. At the same time, the current WTO rules in agriculture have proven to be disastrous for both producers and consumers. They must be changed.

Before Seattle, we had very little hope of making any changes. After Seattle, the situation has changed completely. If the WTO cannot deliver a successful agricultural negotiation it may, in some respects, be placed on "life support." If the WTO continues to refuse to take our views and concerns into consideration, the outcome will most likely be unsuccessful and threaten the very survival of the WTO.

To test this opportunity we need to move quickly. We need an efficient and inclusive global process over the next months that can hammer out our ideas in three areas.

First, we need to determine areas in which we do not desire any WTO involvement whatsoever. Second, we need to highlight some of the areas of current WTO rules, such as prohibitions against the dumping of agricultural exports, where we want the WTO to start enforcing its own rules. Third, we need to identify key issues on which we want the WTO to take affirmative action. For example, we want the WTO to prohibit the patenting of life and essential drugs.

The victory in Seattle joins the denial of fast track negotiating authority to President Clinton and the suspension of talks on the Multilateral Agreement

on Investments (MAI) as proof of civil society's ability to block ill-considered initiatives in the global arena. We can say clearly what we do not support, and we can stop some of the worst threats. And we will continue to do so with ever-greater strength.

But Seattle also demonstrated that we are prepared to express our ideas on what is needed in terms of global governance and to engage in constructive dialogue on these ideas with all concerned actors, including governments, religions, cultures, businesses, and other global institutions.

Many of the groups from around the world that came together in Seattle will continue to work together at an even higher degree of cooperation on both WTO issues and on other global concerns. Agreements on specific activities such as the creation of a globally coordinated WTO lobbying operation and plans for regional and global meetings were hammered out. Some progress was made on the mechanics for on-going debate and decision-making, but a lot more work on this is needed.

Seattle will be remembered for many things, including the courage of the mostly young people who stood solidly and steadfastly in the face of a furious assault. My hope is that it will also be remembered as a watershed event—a time and place where "we the people" confronted dysfunctional and oppressive global institutions with new ideas and new energy. I hope that I will be able to look back someday soon and say that this Battle in Seattle helped jolt the world onto a new path, one leading toward a just and truly sustainable system of global governance and world peace.

## A Vision for Agriculture at the WTO

By Sophia Murphy, IATP Trade and Agriculture Program Acting Director

When government negotiators met in Seattle at the WTO Ministerial, agriculture was at the top of the agenda. For many countries in the world, agriculture is an important element of their export economy (sometimes the only element), and it provides a livelihood for the overwhelming majority of their poor people. The serious disagreements over agriculture among the 135 (and counting) countries that belong to the WTO contributed to the ultimate breakdown in the negotiations. These disagreements can be traced back to the Uruguay Round of the GATT, which delivered little on agriculture for the developing world. Despite the failure of the Seattle Ministerial, WTO negotiations on agriculture are scheduled to begin in 2000 as agreed to under the Uruguay Round Agreement on Agriculture (AoA).

The AoA has two objectives that, carefully defined, many non-governmental organizations support. The first is to remove "market distortions," which for us means breaking monopolies and oligopolies, banning patents on living organisms, building in differential treatment for poorer countries, and allowing countries to decide their priorities for food and agricultural policies, including the importance they choose to place on exports.

The second is the promotion of food security, which is mentioned in the agreement at the outset as an important "non-trade concern" but not addressed by the existing provisions. Those working to promote food security in the world know that food security is not about global food supply levels. It is about farmers, above all women, who put food on the table for their families. It is also about protecting indigenous cultures and biodiversity. It is about employment and having the means to secure food. It is certainly not about dependence on food aid, and it should not be dependence on world commodity prices either.

The first need—and this is an obligation under the existing AoA—is to review the implementation experience four years into the WTO. What happened? This should be an exercise for us, who eat, and for those who grow food. It is also an obligation of governments that are asking us to accept more deregulation in agriculture as the means to achieve the two goals mentioned above. So far, farm organizations, non-profit researchers, even multilateral organizations, are critical of the existing rules and want to see changes. We do not need more of the same.

Here are a few things that need to be put on the agenda or strengthened:

1. Prohibit the sale of agricultural products in world markets at less than cost of production.
2. Affirm the principle of special and differential treatment by allowing developing countries flexibility in managing their domestic agriculture and their trade policy.
3. Affirm the importance of other parts of the multilateral system, e.g., the Convention on Biological Diversity is the appropriate multilateral forum to address the use and exchange of biotechnology.
4. Ensure trade rules that allow domestic farm support programs that support small farmers, sustainable agriculture and safely produced healthy food.
5. Regulate the handful of companies that overwhelmingly dominate world (and sometimes local) trade in food to avoid the abuses and market distortions created by oligopolistic power.
6. Affirm the Precautionary Principle in considering the introduction and dissemination of new technologies.

# BIOTECHNOLOGY AND BIOSAFETY

In 1997 U.S. Secretary of Agriculture Dan Glickman, called disputes over biotechnology and the patenting of life "the Battle Royale of 21st century agriculture." The U.S. leads the world in producing genetically modified organisms (GMOs) and is desperate to protect its dominant position in the world grain market. Consumers in Europe, Japan and elsewhere object to GMOs in the food supply, and some 160 countries led by the African Group are calling for a rigorous Biosafety Protocol in negotiations mandated by the parties to the Convention on Biological Diversity. The market's reaction to these consumer and environmental problems is causing many farmers in the U.S. to reconsider their plans to sow GMO seed next year, to the dismay of the agricultural-pharmaceutical industry that supplies them.

Disagreements among U.S. governmental agencies about how to use the WTO to advance agricultural biotechnology interests continue to delay the formulation of an explicit U.S. biotechnology policy for the launch of WTO negotiations. For example, an October 21 Cabinet-level meeting to formulate a biotechnology policy for the Seattle ministerial was postponed.

A U.S. industry-government paper drafted in September to advance biotechnology included among its options: 1) form a WTO working group on biotechnology; 2) "clarify" the Agreement on the Application of Sanitary and Phytosanitary Measures (SPS) agreement in favor of biotechnology without renegotiating the Agreement; 3) seek to influence WTO dispute resolution panels on biotechnology through such forums as the Codex Alimentarius Commission, a food safety standards body whose decisions are regarded as authoritative by the WTO. Thomas Billy, a U.S. Department of Agriculture administrator, will be the Codex Executive Committee Chair for the next two years and is expected to guide the formation of a Codex committee on biotechnology.

In a November 6 meeting of WTO heads of delegations, developing countries, together with Norway and Switzerland, rejected both the Canadian and Japanese proposals for a biotechnology working party "to consider the adequacy and effectiveness of existing rules as well as the capacity of WTO Members to implement these rules." The U.S. supports the proposal for a working party, but one focused more narrowly on approval processes for agricultural GMOs. The U.S. is also hoping to settle biotech disputes with the European Union bilaterally.

Numerous developing countries as well as Norway and Switzerland have insisted that biotechnology issues should be negotiated in the Biosafety Protocol under the Convention on Biological Diversity, a position that the United States rejects. In these negotiations, the U.S. has joined Canada, Australia, Argentina, Chile and Uruguay in blocking the rest of the world's preference for a comprehensive protocol that would include agricultural GMOs in its scope. The next talks under these auspices will take place in January in Montreal.

# PATENTS ON LIFE AND PATENTS ON MEDICINES

Until the Uruguay Round, most countries' patent systems did not cover living organisms. In that, many actually denied patents on foods and medicines on grounds these socially valuable products ought not to be privatized nor priced out of the reach of the general public. Encouraged by an "Intellectual Property Committee" consisting of major pharmaceutical companies, the United States Office of the Trade Representative succeeded in drafting a Uruguay Round Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs) that strengthens the private monopoly rights of the drug industry, and obligates all WTO Members to provide patents for genetically engineered organisms and micro-organisms and to provide either patents or a "sui generis" ("of its own kind") system for protecting the breeders of plant varieties. Developing countries were granted longer phase-in periods, vague assurances that technology transfer would be forthcoming, and other "special and differential treatment" negotiated to assist them in complying with TRIPs requirements. The agreement is subject to biennial review.

In the draft Ministerial Declaration, a large group of developing countries has insisted on language to "operationalize" technology transfer and the other concessions achieved during the Uruguay Round. Their text also proposes amending TRIPs so that all living organisms and their parts cannot be patented and so that the list of exceptions to patentability includes the list of essential drugs identified by the World Health Organization. Consistent with the Convention on Biological Diversity and the International Undertaking on Plant Genetic Resources, their proposal would "ensure the protection of innovations of indigenous and local farming communities; the continuation of traditional farming processes including the right to use, exchange and save seeds, and promote food security."

On November 11, however, both the United States and European Union rejected their proposals. Non-governmental organizations from around the world responded with letters to President Clinton and the U.S. Trade Representative, urging the U.S. to "soften" its position on TRIPs. "As we enter the 21st century," states the letter, signed by more than 250 groups and individuals from 47 countries, "it is imperative that global coherence refer not only to coherence among the WTO, IMF and World Bank; equally if not more important for global food security, health and welfare is coherence among the WTO, other treaty bodies and the many United Nations agencies... If the WTO is to preserve its authority as an arbiter of international trade, it must recognize that other international laws and understandings must be respected."

More specifically, the NGOs called for amending TRIPs to expand the list of exceptions to patentability to include living organisms and their parts as well as the list of essential drugs published by the World Health Organization; to ensure the

transfer of technology on fair and mutually advantageous terms; and to establish transitional arrangements that enable developing countries to comply without counteracting their obligations under other international agreements, particularly the Convention on Biological Diversity.

