

Food first or trade first?

By Vandana Shiva

Agriculture, the foundation of food and national security, was re-defined as an issue of trade and commerce alone during the Uruguay Round of GATT with agribusiness MNCs as the determining force in the shift. The WTO Agreement on Agriculture (AoA) in fact does not refer to food and agriculture at all. There is no reference in it to soil or crops, to food or farmers, to sustainability or livelihoods, to food security or fair prices. Core issues of agriculture and food security at the national level have been reduced to non-issues in the global agreement. Food security, rural development, environmental sustainability, survival and sustenance of small farmers have been lumped together as "non-trade" issues, or been redefined as barriers to trade. In the AoA, trade and commerce come first - in other words, corporate profits take precedence over the health of the planet or people, or the survival of rural communities. That is why the relentless implementation of the WTO's trade liberalisation rules is pushing farmers to suicide, the poor to hunger and the planet towards an ecological catastrophe in the form of climate disasters, extinction of species and destruction of water systems.

Assessing the impact of trade liberalisation is the obligation in Article 20 of the AoA. The mandatory review required taking into account: a) the experience from implementing WTO rules; b) the effects on world trade in agriculture; c) non-trade concerns (i.e. food security, food safety, livelihood security and rural development) and special and differential treatment to developing country members; and d) other commitments to reform agricul-

ture. The review started one year before the implementation period of the Uruguay Round, i.e. in 2000.

Para 13 of the Doha Ministerial Declaration, adopted on November 14, 2001, stated that member-countries commit themselves to "substantial improvements in market access, reductions of, with a view to phasing out, all forms of export subsidies, and substantial reductions in trade-distorting domestic support. We agree that special and differential treatment for developing countries shall be an integral part of all elements of the negotiations and shall be embodied in the schedules of concessions and commitments and, as appropriate, in the rules and disciplines to be negotiated, so as to be operationally effective and to enable developing countries to effectively take account of their development needs, including food security and rural development. We take note of the non-trade concerns reflected in the negotiating proposals submitted by members and confirm that non-trade concerns will be taken into account in the negotiations as provided for in the AoA." The modalities are to be established by March 31, 2003.

However, no progress has been made on the implementation issues or review of the AoA in spite of three years having gone by since the review started and one and half years having passed since the Doha Ministerial. The recently concluded mini-ministerial in Tokyo, convened largely to iron out differences on agriculture issues on the basis of the WTO chairman, Stuart Harbinson's draft, failed to achieve an agreement between countries wanting to export at any cost and countries concerned



File Photo: Farmers gathering their harvest

with domestic food security and rural development issues.

The crisis in the WTO on the agriculture negotiations is two-fold. The first arises from the fact that countries are pursuing different objectives and serving different interests. Large exporting countries - the U.S. and the Cairns group - want market access for their exports at all costs. Anything denying them market access is a trade barrier that needs dismantling.

The least developed countries, the developing countries, Europe and Japan put social, economic and environmental sustainability as higher objectives than trade. For the South, socio-economic sustainability has higher priority; for Europe, environmental sustainability is important. But, in spite of major differences, a large group of countries put "food and agriculture first" not "trade first". This must be the objective of WTO reform.

Arun Jaitley, India's Commerce Minister, has insisted that developing countries should have freedom in fixing tariffs in agriculture, especially in the face of high

Northern subsidies. "Our tariffs have a direct impact on the lives of the farmers. We can't permit social unrest." Trade liberalisation cannot set the determining framework for how food is produced and how agriculture is organised. Countries cannot ignore the issues of social, economic and environmental sustainability. The WTO's first error is that it has externalised these basic issues in the AoA.

The second source of the crisis arises from the process itself. The WTO as a system excludes and marginalises the concerns of developing countries. After the failure of the Seattle Ministerial, the most frequently used phrase was that the WTO is a "member-driven organisation". However, the process since Doha shows the opposite.

The excluding nature of the WTO process is made worse by the manner in which Mr. Harbinson prepared the draft for negotiation. The issues raised of developing countries have been conveniently dropped or marginalised. The critical issue of Quantitative Restrictions (QRs) has conveniently been excluded even though it is

at the heart of agricultural conflicts. The conflict between the U.S. and the E.U. is centred on the Europeans' ban on GMOs. The North-South conflict is centred on the high subsidies of \$400 billion in OECD countries, and the dumping resulting from forced removal of QRs. A recently released report from the International Agriculture and Trade Policy Institute has shown that in four major U.S. commodities, the level of dumping has increased since 1995 when the WTO came into force, even though the WTO's proclaimed aim is to "reduce distortions in trade".

Introducing restrictions on imports or raising tariffs in the only safeguard for poor peasants and poor countries in the face of the trade-distorting subsidies and dumping practised by rich countries. This is what countries such as India, Argentina and the Philippines have proposed. Mr. Harbinson's text completely ignores these proposals to regulate imports as a self-defence strategy against dumping. Instead, it proposes removing even temporary rights to safeguards by stating in para

22, "participation should decide whether the special safeguard provisions of Article 5 of the AoA should be eliminated".

What needs elimination is not Article 5 but Article 4.2 on market access which states, "members shall not maintain, resort to, or revert to any measures of the kind which have been required to be converted into ordinary customs duties (these measures include quantitative import restrictions, variable import levies, minimum import prices, discretionary import licensing, non-tariff measures maintained through state-trading enterprises, voluntary export restraints and similar border measures) except as provided for in Article 5 and Annexure 5."

In the face of rising subsidies and increasing dumping, import restrictions and countervailing duties are a right, a survival necessity. The WTO has robbed countries of this right through Article 4 and now, would like to rob them even of temporary safeguards by proposing to eliminate Article 5. As the deadline of March 31 approaches, and as the Cancun Ministerial approaches, countries should focus on stopping dumping by eliminating Article 4 of the AoA, the basis of the destruction of food security and rural livelihoods in the Third World through dumping. Once this crippling clause is removed, countries can start building a global system on citizens' initiatives and national priorities that ensures sustainability, support small farmers, ensures just prices, prevents dumping, protects the countryside and the environment and ensures good, safe, adequate food for all. (Courtesy The Hindu)