



FOOD SECURITY AND THE WTO

A CIDSE POSITION PAPER

Secrétariat général/Secretariat: Rue Stévin 16, B - 1000 Bruxelles/Brussels

Tel: (32) 2 230 7722, Fax: (32) 2 230 7082, E-mail: postmaster@cidse.org, Web: <http://www.cidse.org>

Food Security and the WTO

Sophia Murphy

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CIDSE
Coopération internationale pour le
Développement
et la Solidarité

International Cooperation for Development and Solidarity
Rue Stévin 16, B-1000 Brussels
Belgium
Tel: +32 2 230 7722
Fax: +32 2 230 7082
E-mail: postmaster@cidse.org
Website: www.cidse.org

CIDSE, International Cooperation for Development and Solidarity, is a coalition of 14 Catholic development organisations in Europe and Canada. CIDSE members show a common vision on poverty and social justice and a common strategy on development programmes, development education and advocacy. CIDSE's advocacy work covers three themes: debt and structural adjustment, social development and trade and food security.

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Author: Sophia Murphy, Institute of Agriculture and Trade Policy.

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Edited by: Duncan Green
Editorial board: George Gelber, Maura Leen,
Bob van Dillen
Sub-edited by: Maria Stankovitch

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Please send comments to vandillen@cidse.org

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Executive Summary

Trade policy and food security are fundamentally matters of justice and human rights. Although the current system of multilateral rules was agreed by consensus, it was designed by a small number of economically powerful states primarily to promote their own economic interests. The World Trade Organisation (WTO) must change, from an organisation that sees trade and trade liberalisation as ends in themselves to one that places trade at the service of human development.

The Agreement on Agriculture (AoA)

The principal international agreement on agricultural trade should enshrine as its overarching goal the World Food Summit commitment to halving world hunger by 2015. Thus far, the AoA has promoted an industrial model of agriculture that has jeopardised food security in developing countries. More productive and sustainable methods exist, but are not being properly promoted.

The agreement has legitimised the use of subsidies in developed countries, while narrowing the options available to developing countries, which must compete in an increasingly global market. The result is the worst of both worlds. Food security, and the potential of agriculture as an engine of growth for the South, have been undermined.

The global food chain is increasingly distorted by the disparities in power between global agribusinesses, on the one hand, and farmers and consumers on the other. This is driving the liberalisation of agriculture and the food trade in directions inimical to the public interest. Many developing countries have unilaterally liberalised their trade regimes (often as part of structural adjustment programmes), in reforms they are prevented from reversing by the WTO. There has been no reciprocal liberalisation in the North.

The AoA has not fulfilled predictions that it would lead to rising world prices for farmers and falling levels of production in the US and the EU. In part this is because the EU and US introduced exemptions into the agreement, enabling them to increase their support to farmers. Under the AoA, world food prices have in fact fallen, but net food-importing developing countries have failed to reap the benefits, partly because of corporate control of the global food business.

Issues for developing countries

In the WTO, some issues of major concern to developing countries are:

- The continuing protectionism and double standards displayed by the developed countries.
- The problems of implementing the Uruguay Round, including the difficulty of implementing so many agreements in so short a time; the damaging consequences for health and development of some aspects of the agreement on Trade-Related Intellectual Property Rights (TRIPs) and the protectionist abuse by developed countries of textiles liberalisation, anti-dumping rules, and the rules on Sanitary and Phytosanitary Standards.
- Many of the poorest countries rely on preferential access to developed country markets, which has in many cases been eroded by the AoA and other free trade agreements.
- Despite the promises of the AoA, domestic support for agriculture has risen in developed countries, leading to the dumping of subsidised food on to the world market, with damaging effects on southern producers.
- Provision for Special and Differential treatment (S&D) has been systematically watered down. It now involves little more than exemptions for the least developed countries, and longer transition periods for other developing countries. There is a need to rethink S&D in order to turn the WTO into an institution that works for development, poverty reduction and food security. One step in this direction would be to introduce a Development Box into the AoA. Another would be to convert existing S&D provisions from "best endeavour" clauses into binding and operational elements of the agreement.
- Above all, the AoA has failed to strengthen, and in many cases has undermined, the food security of poor households and communities in developing countries.

Doha

Very little substantive progress has been made at the WTO since the ministerial meeting in 1999 in Seattle. At the next meeting, in November 2001 in Doha, there is likely to be serious disagreement between proponents of a broad round, proponents of a limited round and those developing countries that oppose any new round until their concerns have been addressed. Most NGOs, including CIDSE, support this last position, requiring that the WTO put its house in order before moving on to new areas.

Recommendations

1. Targets

- The WTO should state publicly that the achievement of the 2015 poverty reduction target is an explicit objective of its work.
- The AoA should adopt the World Food Summit target of halving world hunger by the same date.

2. The AoA should be reformed to:

- Reduce the excessive levels of domestic support and export subsidy in the developed countries, which are seriously undermining developing countries' trading prospects by dumping cheap food on the world market, thereby artificially reducing world prices.
- Increase access for developing country exports (especially those produced largely by small farmers) to developed country markets.
- Increase flexibility for developing country governments to protect and support small farmers and the production of food security crops, by introducing a Development Box into the AoA.
- Give extra help to those poor countries that have seen their preferential trade agreements eroded by broader tariff reductions.
- Overhaul the Marrakesh Decision and make it operational by using a given world food price to trigger access to international aid for food purchases.

3. The TRIPs agreement is in urgent need of reform because it restricts public access to genetic resources and undermines food security in developing

countries. In particular, governments that want to ensure that intellectual property rights regimes genuinely benefit poor people and communities in developing countries should seek to:

- Use the current substantive review of Article 27.3(b) of TRIPs to exclude all life forms from patenting and remove the requirement for plant variety protection.
- Ensure consistency between TRIPs and the provisions of the Convention on Biological Diversity – ensuring free and fair access to genetic resources, prior and informed consent, and benefit sharing.
- Stop the development and commercial application of 'terminator technologies'.

4. CIDSE's members do not support the EU's proposal for a broad round of negotiations. Instead, the priorities for the WTO in the coming years should include:

- Giving serious attention to the many difficulties in implementing the Uruguay Round of trade agreements.
- Bringing the agriculture negotiations to a successful and pro-poor conclusion.
- Introducing impact assessment as a central activity, both in reviewing past agreements and policies, and in designing any new agreements.
- Broader institutional reform of the WTO to ensure greater transparency, and more equal participation by developing country members
- A greatly enhanced role for Special and Differential treatment for developing countries, focussing on measures to end poverty and food insecurity.

Foreword



Annie Bungeiroth

No need is greater than food

Trade policy and food security are fundamentally matters of justice and human rights. Access to adequate food is a fundamental human right. States and international organisations should co-operate in joint and separate action to achieve the full realisation of the right to food.

Catholic development agencies in Europe and North America, with their wealth of experience of, reflection on and commitment to social and economic justice, are increasingly engaging with issues of trade and the power relationships behind them. CIDSE and its member organisations are calling for a global ethic, one in which trade and globalisation work for poor people and their communities, and in which trade policies help build cohesive societies as well as sound economies.

Catholic Social Teaching has highlighted the urgency of ending hunger and achieving food security, and speaks strongly on the values that should underpin global economic relations and structures. Pope John Paul II notes that "a society of free work, of enterprise, of participation ... demands that the market be appropriately controlled by the forces of society and by the state so as to guarantee that the basic needs of the whole society are satisfied" (*Centesimus Annus* No. 35). No need is greater than that for food.

Although no single panacea exists that would tackle world hunger and promote food security, some necessary elements have been identified. In trade, especially agricultural trade, the current system is one of multilateral rules agreed by consensus, but primarily designed by a small number of economically powerful states. Agreements born out of such unequal circumstances cannot represent a fair balance of interests. This inequality brings into question the legitimacy of current trade agreements and the approach to trade liberalisation on which they are based. The WTO, as the international body primarily charged with overseeing trade policy, particularly the liberalisation of markets, has come in for especially heavy criticism in this regard.

Some key principles underlying Catholic Social Teaching are useful in analysing current debates on trade liberalisation and the role of the WTO. While the principle of subsidiarity in Catholic Social Teaching is often taken to mean that decisions should be taken as close as possible to those directly affected by them, this same principle also demands higher levels of organisational authority where lower ones cannot carry out such responsibilities. Catholic and other Church leaders have pointed to the need for organs of global governance to provide for the common good of

the whole human family. Such a viewpoint provides a rationale for building a fair and just rules-based international trading system, avoiding a descent into "beggar my neighbour" trade policies.

Global trade rules must encompass a commitment to justice in order to ensure that people have what they need to survive and develop, including food security. It is not enough merely to ensure that everyone has an opportunity to compete. Catholic Social Teaching stresses the need for co-operation as well as competition. In the case of agricultural trade, many developing countries are seeking greater special and differential provisions to guarantee food security and support for local farmers. However, while developed countries make a show of listening to developing country needs, the nature of negotiations ensures that the strongest players extract the greatest concessions and shape the outcome to suit their immediate interests. Taking an ethical perspective and drawing on Catholic Social Teaching means asking what the impact of policies will be on the poor. This requires a "poverty-proofing" of trade policies by considering their potential impact on the poor and vulnerable before they are implemented, and assessing that impact once implementation has begun.

In assessing the impact of trade policies and their future directions, CIDSE agencies' commitment to tackling the root causes of poverty requires us to highlight how trade policies can undermine the food security of the world's poor. Often such damaging impacts spring from the disparities in power between the parties negotiating the rules that govern world trade. A poverty focus also obliges us to suggest how trade and other policies can help tackle inequality and deprivation. At the same time, drawing on the principle of subsidiarity and the right of people to participate in the decisions affecting their lives, this report highlights the importance of giving governments and civil societies in the developing world the space to be the authors of their own development and through this to arrive at optimal policy choices. The present imbalance, with developing countries lacking the resources and negotiating capacity to present their case at the WTO, works against this. The international community must begin to support capacity building in this area.

CIDSE's analysis shows that radical new thinking is needed by trade policy-makers. Often policy-makers fail to distinguish between development (*things getting better*, as measured by poverty reduction, greater social inclusion, and so on) and more rapid growth in exports and gross national product (*things getting bigger*). Experience is increasingly showing that the most successful efforts at development are

participatory in design and implementation. That means governments engaging with their civil societies. The intention of the analysis, reflections and recommendations contained in this paper is to help decision-makers move towards effective joint action to make sure that trade policies reduce poverty and inequality and to make them effective instruments for the promotion of food security for all. In the end, trade as a process of exchange should represent a fair social bargain, not a narrow and unequal economic transaction. Viewing trade policy through such a lens would help ensure that the WTO supports trading for development rather than working to develop trade at any cost.

Summary

- Trade policy and food security are fundamentally matters of justice and human rights.
- Although the current system of multilateral rules was agreed by consensus, it was designed by a small number of economically powerful states to promote their own economic interests.
- The WTO must change from an organisation that puts trade and trade liberalisation first, to one that places trade at the service of human development.



Harvesting rice, Cambodia

Sean Sprague

Introduction

At the World Food Summit (WFS) in 1996, the UN Food and Agriculture Organisation (FAO) defined food security as "food that is available at all times, that all persons have means of access to it, that it is nutritionally adequate in terms of quantity, quality and variety, and that it is acceptable within the given culture."¹ No definition is perfect, but this definition provides a helpful basis for policy.² For CIDSE and many other non-governmental organisations (NGOs) working to promote food security, access to sufficient and appropriate food is a human right.

Agricultural production, consumer health, nutrition, employment and trade policy all affect food security. To ensure food security entails a consideration of both national and household levels of supply and distribution of, and access to, food. It is a complex issue, which is often defined in simplistic ways. The definition of food security as a country's access to world markets for food is deeply inadequate, yet so widely accepted in some government and multilateral circles that many NGOs and farm organisations have turned to other phrases to capture more precisely what they mean by food security. For these organisations, building food security by relying on imports paid for by exports is a problematic and risky strategy that forecloses the potential of agricultural production as an engine of development.

Thus the term "food sovereignty" has entered NGO vocabulary. Coined by La Vía Campesina (an international association of peasant and small farmers from every continent) in its 1996 Tlaxcala Declaration, food sovereignty introduces the element of national decision-making into food security.³ The concept does not mean self-sufficient production at the national level, but emphasises the centrality of national decision-making structures in determining food and agriculture policy. The role for trade in this strategy is left up to national governments rather than to international trade bodies.

All people, whether in developed or developing countries, have an interest in the production of safe, ecologically sound food in adequate quantities to meet their own needs and those of their families and communities. Many countries, in North and South, have invested heavily in their agricultural sectors and have an interest in protecting and promoting that investment. This is not only a matter of economics, but also of culture, social fabric, ecologies, and genetic resources. For hundreds of millions of people living in developing countries today, it is a matter of life or death. In the North, the issues are less raw, perhaps, but long histories of misguided public programmes and unchecked industrialisation have damaged the trust between producer and consumer and left rural communities to waste away. This is not just a struggle between rich farmers in the North and poor farmers in the South (although that too is true), but a clash between competing world views and models for agriculture.

The WTO Agreement on Agriculture (AoA) presupposes a model for agriculture and reinforces that model through the rules it establishes. It is a model for wealthy countries that wish to pursue industrial agriculture. It ignores the needs and interests of the billions of farmers who do not live in that world. While ostensibly dealing only with world markets and trade, the agreement dictates the kind of border measures (trade tariffs and quotas) that countries can impose in their agricultural sectors and the kind of investment they can make. As this paper will show, by only half doing the job of trade liberalisation, the agreement has legitimised the use of subsidies in developed countries, while narrowing the options available to developing countries that must compete in an increasingly global market. The result is the worst of both worlds. Food security, and the potential of agriculture as an engine of growth for the South, have been jeopardised in the process.

Agriculture is overwhelmingly important for the economies and livelihoods of developing countries. In the developed countries 8 per cent of people farm for a living (in the US it is only 2 per cent, in the EU just over 4 per cent). In the South, those numbers rise above 80 per cent and average more than 50 per cent.⁴ If there is one sector in which developing countries ought to have an edge, it is agriculture. In practice, however, this is not so. It is important to understand why, and to ensure that any recommendations for future policy are grounded in this understanding.

Power and policy making

The World Trade Organisation (WTO) is a political rather than an economic forum. At its heart lies an uncomfortable contradiction between economic theory and practice. On the one hand, the WTO espouses free trade theories, arguing that the main beneficiaries of liberalisation are consumers and producers in the countries that liberalise. If WTO members acted on this basis, there would be a stampede of delegations offering to liberalise their economies. In practice, however, delegations operate as mercantilists, trying to extract maximum trade liberalisation from their trading partners, while minimising their own.

Under structural adjustment programmes, the South has been obliged to liberalise unilaterally. A simple version of the role of structural adjustment programmes in changing trade policy goes this way: owing to excessive borrowing (and rash lending by northern banks) in the 1970s and the rapid increase in interest rates in the early 1980s, many developing countries found themselves trapped by unsustainable levels of debt.⁵ Twenty years later, efforts to resolve the crisis are limited to finding ways of keeping the debt payments manageable – while forcing countries to prioritise exports in order to earn the foreign exchange needed to pay interest on their debts. The indebted countries came to depend on the International Monetary Fund (IMF) and World Bank for

capital, and these institutions forced on them a series of economic policy changes, called structural adjustment programmes, which oriented developing economies to servicing world trade and increased their dependence on access to developed country markets. However, much less was done to open up access to markets in the North. The WTO agreements then locked these changes into trade policy in the South, but without changing the fundamental power dynamic of the world economy, which makes the poor countries serve the wealthy.

The reality of global trade shows the power imbalances that underlie the WTO. By 1999, the EU countries accounted for 38 per cent of global imports (almost two-thirds of it between EU member states).⁶ Trade volumes (imports and exports) expanded in all regions of the world in 2000, but particularly for developing countries and the transition economies of the former Soviet Union. But the volume of exports did not grow for those countries in Africa and Latin America that remain dependent on a few non-oil primary commodities.⁷ Far too many countries – those with least access to foreign exchange to pay for imports – are increasing their dependence on world markets. There is little sign yet that the international trade agreements of the 1990s have contributed to the development potential of countries in the South. The northern markets of most interest to developing countries, notably textiles and agriculture, remain heavily protected.

Beyond these somewhat crude measures (increased trade volume as indicator of development), it is not clear that market access and export-based development are the best strategy to reduce poverty. The experience of Asian countries, some of which have made startling progress in reducing poverty among their peoples, indicates the importance of supportive domestic policies, including universal education and access to resources, for example through land reform. Access to foreign markets can then provide a helpful impetus to investment and economic growth. But the overall experience is that relatively few developing countries have been able to continue reinvesting the gains from export growth into higher value industries. Globalisation as structured by existing rules makes it very easy for companies to move whenever they find cheaper labour (from Taiwan to Malaysia to Vietnam) while other, higher value, industries do not necessarily develop to take their place.

Talking to farmers in North and South reveals that this is not a simple North/ South divide. The hypocrisy of the US and EU aside (protecting themselves at the expense of the South) some interests remain invisible within the current trade debate. The model of industrial, export-oriented agriculture does not serve farmers, whether they live in Belgium and want to retain floor prices and high tariffs, or in Mali, where most farmers work with hardly any capital or external inputs. Farmers do not themselves engage in trade at the global level. They sell to companies that trade, whether grain traders, processors or retailers (and some firms fit more than one



Jim Holmes

Cambodia: Will globalisation help the rural poor?

category). There are many powerful actors, such as the multinational corporations that dominate international trade, who for the most part support (and often actively promote) the trade system represented by the WTO agreements, but are largely invisible in the negotiations and policy debates.

Agribusiness

The global food chain is increasingly consolidated both horizontally, among those performing one function in the chain (for example, food processing) and vertically, between functions: across input supply, trading, processing and retailing. One effect of this is to create price transparency problems. For example, the vast majority of chickens destined for the dinner table in the US are sold only when they go from processor to retailer. There is no longer any independent check (price discovery) on chicks, chicken rearing, transport and slaughter costs. This is an almost completely vertically integrated sector. Another example of vertical integration is provided by Cargill, a private commodity trader and the largest private company in the US, and Monsanto, a chemical company made famous recently by its promotion of genetically engineered crops. Cargill recently sold its international seed business to Monsanto for US\$1.4 billion. The companies then announced a joint venture to develop genetically engineered foods to meet specialised needs. Between Monsanto and Cargill, the venture will have access to every stage of the food chain except on-farm cultivation and final sale to consumers. This concentration of market power allows companies to skim off the lion's share of whatever wealth is generated, at the expense of both farmers and consumers.

Horizontal integration also prevents agricultural markets from functioning properly. In 1998, a company called Glencore controlled 80 per cent of all trans-border maize shipments in Southern Africa. At the time, the company was negotiating with the government of Zimbabwe to replace the state-operated Maize Board with a 100 per cent monopoly on maize imports. Maize is a staple food in the region and is vital to Zimbabwe's food security. The domination of staple food supplies by only one or

two players in a region creates clear potential for market distortions, and a considerable political weapon.

Cargill is one of the top two exporters of soybeans from the US, Argentina and Brazil, who between them dominate world supply. Cargill exports an estimated 40 per cent of the corn that leaves the US, which in turn supplies about 30 per cent of the world market. Cargill is a major corn exporter and importer around the world, buying, shipping and milling grain in more countries than there are WTO members (160 or so). This kind of market power is an aspect of global agricultural trade that is entirely ignored by the current rules but that cries out for more attention, to ensure market distortions are managed. Even simple transparency measures are not yet in place. Trade rules need to reflect the actual conditions under which markets work, rather than theoretical models of efficient markets that have little connection to reality.

CASE STUDY

Burkina Faso

Consumers fail to gain from trade liberalisation⁹

Burkina Faso has undergone trade liberalisation in a number of sectors, but the predicted social benefits of importing food at lower world prices have failed to accrue to consumers. This has undermined food security.

The lack of connection between world prices and consumer prices is explained by the control of marketing networks. Trade liberalisation has pushed up the number of rural traders and improved access to the market for rural producers. However, to a large extent, large urban traders have retained control. Since 1992, the concentration of power in the marketing chain has had more effect on consumer prices and their stabilisation than have regional economic policies.

This phenomenon – of the gains of liberalisation being captured by companies in the distribution chain, rather than by consumers – has been observed in several countries.

Making globalisation work for the poor

The WTO in practice treats trade and trade liberalisation as ends in themselves, rather than as means to achieve the greater goal of human development. CIDSE believes a change of approach, placing human development needs above the dictates of free trade theory, is essential to make the WTO an effective and pro-poor member of the international system.

International trade rules embodied in the WTO are part of a process of globalisation that brings both opportunities and threats for the poor. This process adds to the fear of millions of people that they will lose influence and control over decisions that affect their lives, the fear that economic forces invisible to ordinary citizens are taking over the roles of politicians and

legislators without the corresponding degree of public control. The peaceful demonstrators in Seattle, Quebec and Genoa (who far outnumbered the violent protesters) have shown that this political analysis has taken root among a wide range of civil society organisations in both South and North. Debt cancellation for developing countries in the South, codes of conduct for multinationals, Tobin-type taxes on capital flows – many of these proposals are part of a “people before profit” agenda of pragmatic policy solutions emerging from protest movements, including Catholic development organisations and other Church-based groups.

The global community is committed to a number of international development goals derived from recent UN world conferences. Most immediately relevant to the AoA are the commitments made at the WFS in 1996,⁹ when leaders of 186 countries committed their governments to halving the number of malnourished people in the world by 2015. Latest projections from the FAO, however, suggest that progress is likely to fall well short of that figure, with 580 million people malnourished in 2015, rather than the target of 400 million. The most recent figures (1996-98) show that 792 million people in developing countries are undernourished.¹⁰ The WFS also committed world leaders to “ensuring that food trade and trade policies in general foster food security for all.” Moreover, the Universal Declaration of Human Rights and the Covenant on Economic, Social and Cultural Rights both guarantee the right to food.¹¹

The urgency of the task was captured in the FAO’s publication *The State of Food and Agriculture, 2000*:

“Despite past progress, during the 1990s one in five people in developing countries ate less than the caloric minima for metabolic, work and other functions. Worldwide, there are still more than 150 million children under five who are underweight; more than 200 million – more than one in four – are stunted. These conditions appear to be implicated in about half of the 12 million deaths annually of children under five and, for some of the more damaged survivors, in physical and even mental retardation.”¹²

The importance of these targets lies, in part, in providing the international community with guidelines for developing national and multilateral policy. As long as governments choose not to create a link between the WTO and the UN system, legal and moral tension will remain, because commitments that states undertake in one arena are not coherent with those they undertake in another. The struggle between the protection of intellectual property rights provided by the Trade Related Intellectual Property Rights (TRIPs) agreement and the imperative to provide affordable healthcare to people is only one of many examples.

CIDSE is calling on the WTO to make the WFS commitments an overarching goal of any new AoA.

Were governments at the WTO to adopt such a shared international vision, they would be providing substance to their stated objectives of realising sustainable development and economic opportunity for the South. Embedding trade policy in national food security and poverty reduction strategies would also increase the sense of national ownership. Too often trade liberalisation is seen in developing countries as something imposed by the IMF or a government's commitments at the WTO. The WFS commitments would provide a framework for assessing the successes and failures of the agreements in practice, helping to shape future trade rules. It would also provide a basis for the discussion among developed and developing countries on how to implement the agreements.

In the days before the WTO ministerial meeting in Doha on 9-13 November, the countries present at the WFS in 1996 will reassemble to take stock of the progress made in the past five years. It is vital that the sense of urgency and commitment to ending world hunger carries over to the meeting in Doha, setting the tone for serious reforms at the WTO.

Agriculture and development

Larger developing countries contain vast internal differences. In China, Brazil, India, and South Africa, urban and rural areas seem like different countries. Moreover, the gap between rural and urban development is real and increasing. Governments must choose between the employment creation potential of globalisation, perhaps with safety nets if countries can afford them, and the need to protect the livelihoods of vulnerable populations. In a country such as India, the rural population numbers some 500 million people – nearly double the entire population of the US.

This leads to the question of what kind of agriculture to support. The South is overwhelmingly agricultural, yet few of its people are engaged in an agriculture that has anything to do with the world market. While researchers celebrate the sustainable practices and responsible resource management found in developing countries, international economic pressures, together with age-old local power structures, are driving people from the land. Moreover, the AoA, as currently constituted, pushes countries away from more sustainable options towards an industrialised model of agriculture. Simply changing the language in the AoA will not resolve these problems.

The challenge is to develop models for agriculture that strengthen public goods (including food security), resilient ecosystems, vibrant economies, and genetic diversity. To some extent, this is already happening. Researchers at the University of Essex found that 9 million farmers around the developing world now use sustainable agricultural practices and technologies, up from 0.5 million in 1990. The new approaches, which account for about 3 per cent of all agricultural land, have systematically improved yields:

- When 45,000 families in Guatemala, Nicaragua and Honduras introduced the nitrogen-fixing velvet bean into their maize fields, the natural fertiliser produced by ploughing the bean back into the soil led to a rise in yields from 400-600kg/ha to 2,000-2,500 kg/ha.
- Kenyan farmers who used double-dug beds with composting, green and animal manures found that after four to six seasons, their land had better water holding capacity, and was able to sustain vegetable growth into the dry season. The number of households free from hunger rose from 43 per cent to 75 per cent, the number of households buying vegetables during the year fell from 85 per cent to 11 per cent, and the number of maize self-sufficient households more than doubled from 22 per cent to 48 per cent.

We should acknowledge that local communities and the domestic private sector can protect and promote some of these practices, while recognising the role of accountable national governments and international institutions in moving towards better models. The WTO Agreement on Agriculture embodies one among several different models of agriculture. It favours large-scale, industrial farming, and – for the South in particular – significantly narrows the choices that each country can make about its own economic development.

Gender and agriculture

"There will be no food security without rural women"
Jacques Diouf, FAO Director General

It is difficult to overstate the importance of women in developing country agriculture. Women account for 70-80 per cent of food grown in Sub-Saharan Africa, while in South and Southeast Asia, 60 per cent of the work in agriculture and food production is done by women. There is also an increasing trend towards the "feminisation of agriculture", owing to conflict, HIV/AIDS and rural-urban migration.

However women also suffer from severe gender biases. Women face unequal access to capital (notably credit), legal and social ownership rights (land in particular) and inequalities in access to productive resources and services (including agricultural extension services, training, technology and market information). Women's higher rates of illiteracy lead to exclusion from new market opportunities, while women farmers are often neglected by policy makers and their contribution to agriculture is not properly valued or understood.

These gender biases constrain and accentuate women's ability successfully to take part in some sectors of developing country agriculture. What has been termed "gender exploitative integration" limits women's participation in export-oriented agriculture, and also in larger-scale – and more profitable – activities (trading, marketing) in domestic agriculture. Gender biases in turn often trap women in low-productivity, low-growth economic activities, leaving them few opportunities other than home-based employment in low-technology sectors.

Many questions remain about how policies of trade liberalisation directly affect women. However there is a broad consensus that "Women... have tended to be the least able to seize [market liberalisation's] opportunities, and are most likely to suffer from the rapid changes that societies undergo."

Studies show that trade liberalisation often exacerbates existing gender differences and the "gendered nature of markets":

- Two studies in Ghana found that liberalisation led to government prioritising the (mainly male-controlled) cocoa export crop rather than (mainly female-controlled) domestic crop production, disproportionately hurting women farmers.^{16,17}
- Better access to technology and credit, and a "gendered division of labour", have led men to dominate the production of maize as a cash crop in Malawi (confining women to growing maize for home consumption).¹⁸
- In rice market liberalisation in Guinea, the relative market power of (predominantly male) traders means that (predominantly female) peasants receive small returns and therefore lack incentives to produce.¹⁹

However, the picture is by no means all negative. Women's employment in non-traditional export crops is substantial and evidence suggests the number of women engaging in agricultural trading activities increased after liberalisation. However, women's enterprises are more likely to be trapped in the vicious cycle of petty trading because of gender-based inequalities of access.²⁰

*"The benefits of agricultural market liberalisation have been skewed towards medium and large-scale commercial farmers, large-scale private traders/wholesalers and processors, and transporters and other providers of market services. Since the majority of women's activities are concentrated in small-scale farming, processing and petty trading, they have gained relatively limited benefits from liberalisation."*²¹

Summary

- The AoA should enshrine as its overarching goal the WFS commitment to halving world hunger by 2015.
- The AoA as currently designed has promoted an industrial model of agriculture that has jeopardised food security in developing countries. More productive and sustainable methods exist, but are not being properly promoted. The agreement has in practice legitimised the use of subsidies in developed countries, while narrowing the options available to developing countries which must compete in an increasingly global market.
- The global food chain is increasingly distorted by the disparities in power between global agribusinesses on the one hand, and consumers and small farmers on the other. This is driving the liberalisation of agriculture and the food trade in directions inimical to the public interest.

- Many developing countries have unilaterally liberalised their trade regimes (often as part of structural adjustment programmes), in reforms that have then been locked in by the WTO. There has been no significant reciprocal liberalisation in the North.
- Women have tended to be the least able to seize the opportunities offered by market liberalisation, and are most likely to suffer from the rapid changes that it brings.

CASE STUDY

Mexico

Trade liberalisation harms small farmers²²

The North American Free Trade Agreement (NAFTA) demonstrates the dangers of rapidly liberalising trade without taking food security properly into account. For Mexicans, maize cultivation is the main source of livelihood for some 3 million producers, accounting for 40 per cent of the agricultural sector. US maize is grown on large farms at an average of 40 per cent of the cost of production in Mexico, with average yields per hectare between four and five times higher. Moreover, some 60 per cent of Mexican farmers use locally adapted varieties, providing a rich genetic resource-base for maize farming. Given the social sensitivity of maize, NAFTA allowed a 15-year phase-in of free trade in maize. However, the Mexican government waived this right and the maize trade was effectively tariff-free within 30 months. A massive influx of US maize ensued, leading to a sharp reduction in the price paid to Mexican producers. By August 1996, prices had fallen by 48 per cent and since that time have failed to recover significantly.

Contrary to expectations, this has not led to mass emigration from the countryside or a decline in Mexico's maize production, which has held remarkably steady. Mexican farmers have continued to plant maize for a combination of economic and cultural reasons. Small farmers plant maize to have a crop (if they have irrigated land) or to claim the new 'Procampo' subsidy on rain-fed land: they plant the maize, claim their subsidy, and any crop is something of a bonus. However, the end of Procampo in 2008 could lead to increased emigration. Already the greater pressures on maize farmers, and the reform of the land tenure laws, have produced a sharp increase in land concentration, often within communities, with a few of the richer farmers buying out the rest.

The WTO and the Agreement on Agriculture

The WTO was established on 1 January, 1995 by an agreement negotiated within the Uruguay Round of the General Agreement on Tariffs and Trade (GATT). The Uruguay Round of negotiations lasted from 1986 to 1994, lurching from crisis to crisis, often because of the agriculture negotiations. The creation of the WTO, proposed once the Uruguay negotiations were under way, established a permanent forum for trade negotiations. The GATT was first signed in 1947 but was not recognized in law as an international organisation, although it had a small secretariat based in Geneva to service trade negotiations and agreements.

The WTO is home to a series of trade agreements, including the most recent version of GATT, but also agreements on agriculture, services, intellectual property rights (IPR) and other issues that were never previously included in international trade rules.²³ Unlike IPR and services, agriculture and textiles were conceptually included in GATT in 1947, but all commitments were waived after interventions by the developed countries, especially the US. The Uruguay Round agreements were negotiated as a single undertaking, so that to be party to any one of the agreements, governments had to be party to all of them.

With the creation of a permanent forum for trade negotiations, governments established an enforcement mechanism to ensure members would abide by the rules. Annex 2 of the agreement created the Dispute Settlement Understanding (formally the Understanding on Rules and Procedures Governing The Settlement of Disputes). The resulting Dispute Settlement Body (DSB) hears complaints from member states about other states' trading practices and decides whether or not the rules have been broken, and if so, what retaliation is permitted.

In practice, the DSB turns the essentially political process of trade negotiation into a legal matter, resulting in decisions that are often politically awkward to implement. Thus the EU has chosen to pay fines rather than relax its ban on imports of beef treated with growth hormones. Trade policy in food should not be reduced to discussions of science and economic theory. Politics and culture remain paramount concerns.

The WTO works by consensus. It has a governing body – the General Council – where every member is represented, although in practice many of the poorest countries find it hard to ensure adequate representation. Some 30 WTO members have no

permanent mission in Geneva. This is largely due to the cost – the British government estimates that it costs around US\$900,000 a year to run its relatively modest mission in Geneva (not including the costs of office buildings).²⁴ Every two years, Ministerial Conferences are held to review the work programme and direction of the organisation. There are a number of subsidiary bodies, including the council on Goods and Services. The Committee on Agriculture reports to this Council. For the purposes of the negotiations on agriculture, a special committee has been created that meets informally. All members are invited to belong to each of these structures.

The WTO works on the basis of several core principles. The first is "most favoured nation treatment" – every member of the WTO must extend to all other members the same trade advantages that it offers to its most favoured trading partner for any given product.²⁵ The second core principle is "national treatment": imports must be subject to the same standards and rules (or better) as similar domestic products.

WTO negotiations are based on reciprocity: you gain access to my market only if I gain access to yours. This creates an unequal power dynamic: a country with a huge internal market such as the US or India is much more attractive to negotiators than a country with relatively few consumers. (Total population is less important than the number of people with money to spend.) To gain access to a large overseas market for their exports, countries will open up their own markets considerably. On the other hand, a relatively small, or even a large but poor country, such as Namibia or Bolivia, will often have only one or two sectors that are of interest to exporters. This puts these countries at a relative disadvantage in negotiations. For the EU, lack of access to Bangladesh's markets is incomparably less significant than lack of access to the EU market is for Bangladesh. Nowhere in the WTO is this equity issue considered. Other imbalances are also obvious. For example, richer countries have more staff monitoring the talks and are much better placed to follow the profusion of informal meetings, consultations and negotiations that take place daily in Geneva.

Negotiations at the WTO are never about one sector alone. Negotiators try to balance different commercial sectors against one another to determine the most favourable outcome for the country as a whole. Even within sectors, there are conflicting interests. Grain processors want cheap grains, if necessary through imports, while farmers and local grain traders want to maintain good local prices. The EU, for example, seems

prepared to liberalise its agriculture significantly, to the advantage of some producers (for example of wheat) at the expense of others who are less competitive (for example dairy farmers).

In considering the effects of trade liberalisation on agriculture, particularly the impact of the WTO Agreement on Agriculture, it is useful to remember the context of the negotiations in the 1980s. In reviewing the literature of the time, it is rare to find disagreement with the assessment that multilateral rules to govern the effect of governments' agriculture policies on world markets were urgently needed.

Many developing country negotiators, particularly those whose countries export temperate agricultural commodities such as wheat or beef, hoped new rules could stabilise and increase world prices for temperate food products. The US and EU systems together lowered world prices and depressed production in other countries. Developing countries also wanted to increase their access to developed country markets. Since many developing countries had already liberalised their markets to a significant degree under structural adjustment programmes, they wanted to see reciprocal liberalisation from the North.²⁶

In the 1980s, development NGOs began investigating the impact of EU and US dumping policies on developing countries. It became clear that dumping was undermining domestic production and food security. Beef dumped from the EU was shown to have damaged the market for domestic livestock producers in countries such as Côte d'Ivoire and Burkina Faso.²⁷ NGOs also made a strong case against poorly timed food aid deliveries, which destroyed grain markets for local producers rather than supplementing local production.²⁸

However, the strongest supporters for a WTO Agreement on Agriculture were those who wanted to globalise food trade. Initially, the impetus came from the United States, whose negotiator on agriculture at the outset of the round was a former vice-president of Cargill.

The Agreement on Agriculture

The AoA has three so-called pillars: market access, domestic support and export subsidies. In general terms, the commitments were to increase market access, and reduce both domestic support and export subsidies. All parties to the agreement had to take steps in this direction, although the least developed countries (LDCs) were exempt from some obligations and developing countries overall had smaller reduction commitments. The agreement also opens and closes with explicit reference to non-trade concerns (food security and the environment in particular), which some countries view with justification as a fourth pillar.

The implementation period was five years for developed countries and nine for developing countries. That is, developed countries had to make their reductions by 2000 while developing countries have until 2004. LDCs were not subject to any time limit, because they were exempt from reduction commitments. They did, however, have to promise not to introduce new forms of domestic support in the future.

The agreement's key concepts are couched in specialist terminology:

Red Box. Measures outlawed by the agreement. For example, non-tariff measures such as variable levies had to be replaced by tariffs in a process known as "tariffication".

Amber Box. Payments and subsidies paid to producers that were to be reduced, but not yet eliminated. These measures are based on the Aggregate Measure of Support (AMS), which is a cash equivalent of total government support for agricultural producers, including both direct and indirect spending (for example input subsidies and price supports). The AMS excludes certain kinds of spending that is exempt under various articles of the agreement.

Blue Box. The result of an agreement between the US and EU in 1992 that broke the deadlock in the Uruguay Round negotiations. Article 6.5 of the AoA allows countries unlimited spending for direct payments to farms, as long as these are linked to production-limiting programmes based on fixed areas and yields, or per head of livestock. Ironically, government support to limit production is allowable, while many forms of government support to increase production are not, even though that is precisely what is needed to tackle food insecurity in many developing countries.

Green Box. Annex 2 of the agreement – a list of domestic payments that are exempt from the AMS (Amber Box) calculation. The Green Box list includes payments linked to environmental programmes, pest and disease control, infrastructure development, and domestic food aid (paid for at current market prices). It also includes payments to producers that are not linked to changing levels of production (so-called decoupled payments) and government payments to income insurance programmes. Also exempt from AMS commitments are levels of spending on the agricultural sector and on particular commodities that fall below a specified ceiling – the so-called *de minimis* levels, which are 5 per cent of the total value of production of that crop for developed and 10 per cent for developing countries.

The Peace Clause (Article 13: Due Restraint) overrides the Agreement on Subsidies and Countervailing Measures. In effect this prohibits countries from protecting their markets against exporters who subsidise their agriculture within the parameters set by the AoA. It is due to expire in 2003 and this is



These Bolivian wheat farmers do not receive the subsidies that US wheat farmers receive

considered to be a significant pressure on the EU, and others who rely heavily on export subsidies, to continue the negotiations on agriculture.

Special Safeguards (SSG). Article 5 of the agreement specifies that countries that at the outset converted non-tariff measures into tariffs ("tariffied") for each crop could reserve the right to apply safeguard tariffs to protect against sudden import surges or falls in world prices for a limited time, to protect their domestic industry. It was mainly developed countries that tariffied in this way. Only 21 developing countries have access to this provision, the rest having opted to declare general ceilings for tariffs across all their imports, a choice that precluded them from using SSG measures.

Tariff peak. A high tariff on a particular product within a given tariff line (eg on cheese but not on cream or milk powder).

Tariff escalation. Tariff variations (usually upwards) associated with the degree of processing (eg higher tariffs on chocolate than on cocoa).

Tariff Rate Quotas (TRQs) created a zone between completely duty-free access and the high tariffs that resulted from tariffication, to ensure that a level of minimum access was established. Thus if the tariff that resulted from tariffication was 150 per cent, a TRQ was created to ensure at least 5 per cent of domestic demand could be met by imports through a much reduced tariff level.

Article 20 of the AoA (Continuation of the Reform Process) called for a review at the conclusion of the implementation period. Negotiations were to be undertaken a year before the end of the implementation period, taking into account four criteria:

- (a) the experience of implementing the reduction commitments;

- (b) the effects of the reduction commitments on world trade in agriculture;
- (c) non-trade concerns, Special and Differential treatment (S&D) for developing country members, and the objective of establishing a fair and market-oriented agricultural trading system, and the other objectives and concerns mentioned in the preamble to the agreement; and
- (d) what further commitments are necessary to achieve the above mentioned long-term objectives.

The AoA contains clear discrepancies and imbalances. In brief, members such as the EU with a history of protecting their agriculture, and that had not had to undergo structural adjustment, were able to continue much of their protection. Countries that had already liberalised were left with very limited market access, yet signed away their right to create new protective measures. The most flexible part of the AoA is in spending levels, exactly where developing countries have the least flexibility, because their governments are so strapped for cash and are often tied into onerous debt repayments.²⁹ Developing countries, which are generally forced to rely on border taxes to protect their farmers, found the constraints on these measures a good deal tighter than those on northern-style farmer support.

Implementation experience

The AoA has not had the outcome its supporters promised before the conclusion of the Uruguay Round. In a 1999 study of 14 countries, the FAO³⁰ draws the following conclusions:³¹

1. Few studies reported improvements in agricultural exports after the Uruguay Round. The typical finding was that there was little change in the volume exported, or in diversification of products and destinations.

2. Food imports were rising rapidly in most cases. Some regions were facing difficulties coping with import surges owing to "detrimental effects on the competing domestic sectors". On the whole it was observed that while liberalisation brought about an almost instantaneous surge in food imports, these countries were not able to raise their exports owing, among other factors, to supply side constraints.
3. There was a "general trend towards the concentration of farms in a wide cross section of countries". The concentration of farms led to increased productivity and competitiveness; but in the absence of safety nets, the FAO found that this process marginalised small farmers and added to unemployment and poverty.
4. For many developing countries, key agricultural sectors that were vital for the economy in terms of food security, employment, economic growth and poverty reduction, were being seriously eroded owing to the inability to compete with cheap imports.

In part, this discrepancy between predictions and outcomes was due to poor economics. For example, increased demand in Asia was expected to fuel a large part of the price increase predicted as an outcome of the AoA. Yet recent work by Dr Phillip Baumel, an economist at Iowa State University, shows that for years, the US Department of Agriculture has predicted rising export demand for corn in the face of an actual 20-year downward trend.³²

The predictions also failed to some extent because they ignored some basic facts about agricultural economics. Production levels in Europe and the US have remained high, in the face of dramatic falls in world prices. The US now officially relies only on "non-trade-distorting" payments to the domestic agricultural sector, but American farmers have not responded to the collapse of world commodity prices by reducing supply. If anything, acreage under production has increased, partly because land is not a mobile factor of production. It is hardly ever worth leaving land idle, since even idle land incurs maintenance costs for the landowner. Over prolonged periods of time, land might come out of agricultural use, but in the short to medium term, the pressure on farmers is to sow, however low prices go. Moreover, if the margin of profit possible on a given production level is low, then it makes economic sense to increase production to spread the cost of working the land over more acres.³³ Unless farmers act collectively, there is no incentive for an individual farmer to reduce production to raise prices, because one farmer alone cannot affect prices.

The AoA did nothing to discipline developed country spending on domestic programmes. All the AoA seems to have done is to shift spending from AMS categories to the Green Box. By 1996, Green Box spending was larger than total AMS. The largest element of this was food aid, mostly from the US.³⁴ While AMS levels have been reduced, the more comprehensive measure of government spending on agriculture used by the Organisation for Economic Co-operation and Development (OECD), the Producer Support Equivalent (PSE), remains high. According to the OECD, the AoA's objective of reducing domestic support to agriculture has not been realised.³⁵ In the EU, Common Agricultural Policy (CAP) spending is quoted at 44 billion euro (US\$40 billion) and is projected to rise to 44.9 billion euro (US\$41 billion) in 2001. In the US in 2000, domestic spending on agriculture climbed to US\$28 billion, not including food aid. The OECD estimates that farmers in Japan, the EU and the US receive an average of US\$20,000 per year in domestic support.³⁶ In developing countries, on the other hand, unilateral cuts in import tariffs have further reduced government revenues, making it even harder for them to support poor farmers.

As world prices have fallen, EU export subsidy levels have automatically increased (because domestic prices are fixed, the export restitutions, as they are called, rise and fall inversely with world prices). The EU accounts for 90 per cent of export subsidies as calculated under WTO rules. The US, like the EU, continues to sell many of its crops at less than the cost of production, both domestically and abroad.³⁷ Low world prices are reflected in the US in increased domestic spending, while in Europe low prices push up export restitution costs. Both regions cushion domestic producers (and processors) and allow the transnational companies that conduct trade to enjoy massive price advantages over producers and processors in other countries.

World prices for agricultural commodities are decreasing, but have also been more volatile since the AoA came into effect. Public stockholding has been cut, reducing transparency in the market. Now the major grain holders are trading companies, which have an interest in keeping supply levels secret to profit from speculation. This runs counter to the public policy interest in predicting food shortages and in preserving a measure of price stability, for the benefit of both consumers and producers.

The volatility is also in part the triumph of agricultural realities over the assumptions of free trade theorists. Just as local harvests are unpredictable, so too are harvests at the world level. A bumper crop in Brazil does not always arrive to counterbalance a poor crop in the US. For some crops, such as rice, a large percentage of production depends on the same

monsoon. If it fails, world rice supplies fall dramatically. In 1995-96, El Niño affected production around the world, and it is predicted that climate change will do the same.

Decreasing world prices might be thought beneficial for Net Food Importing Developing Countries (NFIDCs), a group of about 19 developing countries that have been net importers of food since the mid-1970s, and for LDCs, which have as a group been net food importers since the mid 1980s.³⁸ However, FAO analysis shows that because their purchases have been increasingly from commercial sources, their costs have increased over recent years. With the decrease in public stockholding in developed countries, concessional food sales have gone down. In 1998, the FAO estimated this price increase to NFIDCs at an average of 20 per cent.³⁹ Increased price volatility has also been a problem for NFIDCs, because it makes budgetary planning more difficult. At the same time, a strong dollar has increased the cost per unit of imports in countries with weaker currencies.

In 1990, 66 per cent of exports from Africa, excluding South Africa, consisted of mining products and unprocessed agricultural commodities.⁴⁰ In 1999, these commodities still accounted for 60 per cent of these countries' exports, despite a general trend for all developing countries that has seen trade in manufactured products grow significantly more than that in agricultural commodities. The US share in the overall value of world exports of agricultural products fell slightly in the 1990s, from a 1986-90 average of 19.9 per cent to a 1995-98 average of 19.8. For the EU as a bloc, those numbers rose from 16.6 per cent to 17.7 percent. For 36 Sub-Saharan African WTO members (again excluding South Africa), the share in global trade fell, from 0.12 to 0.09 percent. The share of the Cairns Group of agricultural exporters also hardly changed, rising from a 1986-90 average of 1.7 per cent to 1.8 per cent by 1995-98.⁴¹ The AoA was expected to hurt African countries' interests, while the wealthiest countries were expected to profit most from the new rules. This was openly acknowledged and accepted as the probable outcome of the agreement and is one of the few predictions that has been borne out by experience.

Summary

- The Agreement on Agriculture has not fulfilled predictions that it would lead to rising world prices for farmers in the South and falling levels of production in the US and the EU.
- In part this is because the EU and the US introduced exemptions into the agreement, enabling them to increase their levels of support to farmers.
- Under the AoA, world food prices have shown increased volatility.
- The cost of food to the Net Food-Importing Developing Countries has risen they have lost access to food at concessional prices and had to increase purchases at commercial prices.



Gideon Mendel

Tomato harvest, Zambia. Sub-Saharan Africa's share of global trade falls as the EU's share rises

CASE STUDY

Bangladesh

Least Developed Countries unable to benefit from the AoA⁴²

As a Least Developed Country, Bangladesh is relatively free under Article 6 of the AoA to invest in its agricultural sector and to control imports, but it has not seen an expansion in its access to overseas markets since the AoA came into effect. Tariff escalation (higher tariffs on processed than on raw forms of different commodities), albeit reduced by the AoA, remains an important problem. When asked to identify its problems in implementing the Uruguay Round Agreements, the Bangladeshi government noted that it lacked the capacity even to determine what those problems were.⁴³

Bangladesh has made impressive gains in domestic food supply in the last decade. It is difficult to see the benefit of moving away from this focus to increased production of export crops, when investment to develop the export sector is scarce and the taka's purchasing power in world markets is weak. Implementation of the Marrakesh Ministerial Decision, which provides for aid to LDCs that cannot afford to buy food as a result of price rises caused by the Uruguay Round agreement, would help Bangladesh as an LDC with a mounting food import bill. Protection for small-scale producers might also be appropriate, for instance through government regulation to ensure the exhaustion of locally produced food supplies before licensing imports or accepting food aid.

Groupings and Positions in the Agreement on Agriculture

The positions taken by governments at the Committee on Agriculture not only cut across North/South lines but also divide net food importers from exporters. There are also differences between those developing countries that are highly dependent on food imports to feed their peoples and those that are more or less self-sufficient, although they purchase some products and sell others. This section provides an overview of some of the different positions taken by countries and groups of countries in the negotiations on the AoA. Please refer to the glossary on page 28 for explanations of the technical language used.

The United States

In the first years of implementing the AoA, the US reformed its domestic agricultural policy and moved closer to the Cairns Group in calling for stronger discipline on agriculture at the WTO. However, as spending on US domestic agriculture support has skyrocketed, this position has become strained. The US tries to focus the debate on export subsidies, which are an EU mechanism of support, but has recently been pressured both on its use of export credits (a form of export support that it uses heavily) and its very high domestic support payments, which contribute directly to over-production and low world prices. The US made a comprehensive submission to the Committee on Agriculture in June 2000, entitled *Proposal for Comprehensive Long Term Agricultural Trade Reform*.⁴⁴ The following summary is based on that text and another submission from November 2000.⁴⁵

1. Market access

The US wants uniform open market access for all countries. Tariffs, including tariff escalation, should be reduced and simplified. The special safeguard (SSG) in agriculture should be eliminated. Rules governing TRQs should be tightened to ensure transparency and effectiveness and quotas reduced to reflect actual levels used.

2. Domestic support

The US is least explicit in this area. The administration has not declared how it will categorise the billions of dollars it has spent on support over the past few years. Domestically, the administration is facing a great deal of pressure to increase domestic payments rather than reduce them. The US claims a distinction between trade-distorting and non-trade-distorting subsidies, without further elaboration, and uses this as the basis for two categories of domestic support: that which is exempt from reduction (because it is "at most, minimally trade-distorting") and that which is not exempt.

The US proposes a review of the exemptions allowed in the Green Box and has said elsewhere that it wants to eliminate the Blue Box. Non-exempt support would be reduced using the AMS as a baseline, although the latter was set excessively high for both the EU and the US at the conclusion of the Uruguay Round. The use of this baseline would continue excessively favourable treatment of the two agricultural exporters who do the most to distort trade, the US and the EU. The US wants to bind all WTO members to the same percentage of allowable trade-distorting support (measured against the value of total production in a given period). Countries that have already invested massively in their agricultural systems, and so have a high total value of support, would have a big advantage over countries that had taxed their agricultural sectors or were emerging from civil war and might need significant investment in their agricultural production to restore its value.

3. Export competition

The US wants to eliminate export subsidies (mainly used by the EU, Norway and Switzerland). It does not accept that its export credits distort trade. It proposes that the negotiations on export credits should continue at the OECD as mandated by the AoA, rather than move to the WTO. However, the US has blocked progress on talks at the OECD, giving rise to complaints from non-OECD agricultural exporters at the WTO. It is not clear that the US will gain an exemption for its export credit policies, as it did under the Uruguay Round, given the failure to make progress at the OECD. The US also seeks to eliminate export taxes, which it does not use.

4. State Trading Enterprises (STEs)

The US has made a very strong commitment to tightening discipline on STEs, with a view to their elimination. The US wants to end the monopoly import rights of state importers and to force transparency on their choice of import sources. State exporters should lose their exclusive export rights, should have to notify the WTO of their pricing and other sales information, and should lose the financial underwriting provided by government. In practice, these policies would probably destroy STEs. One side effect would be to limit further governments' ability to cut production of crops such as coffee and cocoa in order to boost world prices from their current historic lows. However, no mention is made of discipline for private companies of comparable or greater market power.

5. Special and Differential treatment

The US offers developing countries technical



Annie Bungeo

Bolivian farmer. Bolivia is a member of the Cairns group

assistance, although in practice it has refused to provide assistance that might empower developing countries to challenge US interests.⁴⁶ It proposes improved market access for LDCs. The US would give "special consideration" to the exemption of support measures "essential to the development objectives of developing countries". However, at the meeting of the negotiating committee in May, it proposed tighter discipline on developing countries' exemptions for payments to low-income farmers.

The Cairns Group

The Cairns Group represents 18 countries. Its composition has changed over time, but it more or less consistently represents a mix of developed and developing countries that have identified their interest as increasing their agricultural exports. Some smaller members participate in part to benefit from the analysis and support that the group provides. While the group continues to resist strenuously the inclusion of non-trade concerns in the negotiations, its position has shifted over the past few years to reflect a much greater openness to S&D measures for food security and development.

Cairns members want to continue reform. Developed countries that have met their AoA obligations are now entitled to hold their subsidies and tariffs at current levels until further negotiations are finalised. The

implementation period for developing countries is still in progress. Anxious about the loss of momentum, the group wants countries to continue to reduce support in return for more generous terms in the final agreement. Japan, Norway and the EU have rejected this proposal, but the Cairns Group hopes the Doha Declaration will include a commitment to reduce agricultural support at the start of negotiations as a goodwill measure.

1. Market access

The position calls for much of what the US wants, but in less ambiguous terms. As a first step, it proposes members reduce their support levels as if the AoA had continued beyond 2000. The proposal explicitly mentions cutting tariff peaks and eliminating tariff escalation. Cairns wants rules and disciplines to ensure TRQ administration is not used to reduce market access. It calls for the elimination of the SSG, but then proposes that it should be available to developing countries, "to assist with domestic and international agricultural reform efforts and in countering subsidised competition". Canada did not join the Cairns position on market access, and offered its own, less ambitious, position.

2. Domestic support

The Cairns position on domestic support points out the inequity of existing rules, which allow only 30 countries, most of them developed, to spend more than the agreed *de minimis* on domestic

programmes. Cairns, like the US, suggests a distinction between trade-distorting and non-trade-distorting support, and acknowledges the need for S&D provisions to address the needs of developing countries. Both AMS and Blue Box payments should be reduced to create equal levels of support among countries. Reductions would be front-loaded, to ensure significant reductions from the outset (50 per cent in the first year). The Green Box would be reviewed and only "non-trade-distorting" measures kept. For S&D, the Green Box would be expanded to ensure that developing countries' food security, rural development and poverty eradication goals could be met. AMS reductions would be made more flexible to exempt input subsidies and diversification projects for developing countries.

3. Export competition

There are two Cairns Group papers on export competition and one from the Latin American members only (the regional trade bloc MERCOSUR plus Chile, Bolivia, and Costa Rica). One calls for disciplines on export restrictions and taxes, so that net-food importing countries can be sure that world supplies will not be curtailed when supplies are scarce, as happened in 1996. The existing exemption on export taxes for developing countries is supported. This applies to developing countries only, and only on crops in which they are not net-exporters.

The group calls for the elimination of all forms of export subsidy as an unjustified trade distortion, practised by the rich at the expense of the poor. To move towards their elimination, it proposes an initial reduction, of not less than 50 per cent in the first year. The proposal explicitly includes export credits, credit guarantees and insurance programmes as well as subsidies. S&D proposals are weak, calling only for longer implementation periods and an exemption from reduction commitments until all subsidies are prohibited.

The paper from the Latin American Cairns members discusses the impact of subsidised exports on NFIDCs.⁴⁸ The paper says clearly that subsidised imports have a considerable negative impact and that to suggest that export subsidies help meet food security needs in developing countries is to ignore the evidence.

Friends of Multifunctional Agriculture

Multifunctional agriculture (MFA) describes policies for agriculture that go beyond increasing production to seek other broader benefits to society. For example, payments for managing water quality, soil erosion, habitats for particular species or other services that are not recognised by market prices and yet have public value.

The core support for multifunctional agriculture comes from the EU, Japan, South Korea, Norway and Switzerland. These are wealthy countries with politically powerful farmers and relatively difficult production conditions. Historically, their farmers have relied on governmental support programmes that have maintained high domestic prices and kept out cheaper imports. With the notable exception of the EU, they are net food-importing countries, whose export volume is small. Norway and Switzerland have small domestic markets also.

While the EU is a strong advocate of MFA in Geneva, there are divisions within the Commission and among member countries as to the usefulness, validity and application of MFA. In part this is because the EU is both an importer and an exporter. This crucial difference from the other MFA supporters – that the EU is a major exporter of food – complicates the politics behind its support for MFA and invites considerable suspicion from other countries that are harmed by EU export subsidies. The EU position is considered separately below.

Japan in particular has proposed a virtual U-turn in the AoA.⁴⁹ It proposes that tariffs should mimic the non-tariff barriers they replaced and take into account the degree of processing (effectively a plea for tariff escalation). Japan wants to maintain the SSG and the Blue Box. Decoupled payments "should reflect the real situation of production" (ie be linked to production) and the scope of the Green Box should be maintained. Export subsidies should be reduced (not eliminated) and domestic support that has a "similar effect" (ie in the US) should be disciplined. Japan has attracted significant hostility from other WTO members for its radical positions on agriculture.

Each of the proposals from the MFA group discusses food security. Japan goes into some detail about the need for a stable food supply and the link to self-sufficient food production. This runs directly counter to the logic underpinning the AoA, which assumes that if market barriers are removed, food will flow from areas of supply to areas of need through market signals.

The biggest problem for the MFA group has been its very belated attempt to reach out to developing countries. The proposals clearly serve the interests of wealthy countries with the means to support their agriculture and offer nothing to developing countries with few resources, although their need to protect rural livelihoods and food security is much greater. Developing countries have criticised the EU, in particular, because its agricultural policies are so damaging to the environment, and these perceived double standards have led to profound scepticism among developing countries about the MFA concept. In the current climate, it is hard to see how developing countries might be brought into a discussion on MFA,

despite some shared concerns. Nonetheless, MFA provides an opening for a discussion of different models of agriculture that is sorely lacking in the current AoA negotiations.

The European Union

Where the US is seen by and large as a friend of agricultural liberalisation, the EU is seen as its opponent. The EU has a few significant agricultural export interests, but is also the world's largest agricultural importer. Many EU positions are informed by a concern to preserve domestic agricultural production capacity. The EU is a coalition and needs the agreement of all 15 member states before it can adopt a negotiating position. The current negotiations with 13 other countries that hope to join the union further complicate the politics.

For the EU, progress in talks on agriculture is closely linked to discussions in other sectors. Because it needs to secure political trade-offs among its members, the EU has been the strongest proponent of a broad round of trade negotiations. It is expected that the EU would make considerable concessions in agriculture if other areas of negotiation, such as competition and investment, are included in new trade talks. This was evident at the WTO ministerial meeting in Seattle, in November 1999, where the EU (albeit reluctantly) was ready to make concessions on agriculture until it became clear that the whole negotiating process was in collapse. For those EU states which, like the UK, favour a more liberal agricultural policy, the WTO provides a useful external policy lever.

The following summary is based on the Comprehensive Negotiating Proposal submitted by the European Commission (EC) in November 2000.⁵⁰ While all 15 members of the EU are members of the WTO, it is the EC that negotiates for member states, and that speaks in the name of Union members.

The EU's objectives reflect Article 20 of the AoA: to reduce government support and protection for agriculture while taking into account non-trade concerns and the provision of Special and Differential treatment to developing countries. The EU emphasises the general gains to be expected from further liberalisation, but then points to the necessity of ensuring public support for the trade agenda. This leads the EU to include a series of issues for negotiation that members of the Cairns Group, the US and most developing countries consider to be unacceptable, including MFA, the environment, protection of rural communities, food safety, and animal welfare.

1. Market access

The EU proposes an overall reduction of bound tariffs and a minimum reduction for each tariff line. The rules on transparency, security and management of TRQs should be tightened. Further protection for the right to label and restrict the use of geographical indications is needed. The SSG should be maintained.

2. Domestic support

The EU believes in replacing price support mechanisms with direct aid, which it would use to meet objectives under a multifunctional agricultural policy. The EU is prepared to negotiate reductions in domestic support if both the Blue and Green Boxes are retained. Criteria for inclusion in the Green Box should be reviewed, however, to ensure that they do not distort trade, but that social objectives can be met. The EU favours reducing non-product-specific expenditures and the *de minimis* levels of developed countries.

3. Export competition

The EU is willing to negotiate further reductions to export subsidies if all forms of export subsidy are treated equally (ie if export credits are included). To prevent the abuse of food aid, food aid should be provided only through grant or purchase from other developing countries. This targets the US, which has consistently used food aid in ways judged damaging to development by the international community. The EU supports an extension of the Peace Clause beyond 2003, but under more restricted conditions. This is rejected by the Cairns Group.

4. State Trading Enterprises

The EU advocates the elimination of cross-subsidisation (the sale of goods at different prices in different markets, depending on local conditions), price-pooling (averaging out the differences on day-to-day price changes when calculating returns to producers) and other "unfair trade practices". The EU supports the US call for mandatory notification from STEs of acquisition costs and export pricing.

5. Non-trade concerns

In addition to measures to protect the environment and rural communities, the EU advocates inclusion of the precautionary principle to address food safety concerns (the US vociferously opposes this). The EU wants labelling measures that reflect different production and processing methods used in agriculture. On animal welfare, the EU proposes the development of multilateral agreements, appropriate labelling rules, and an exemption from domestic support reductions for payments used to meet the additional costs of conforming to animal welfare standards.

6. Special and Differential Treatment:

The EU proposes that the developed and the wealthiest developing countries provide significant trade preferences to developing countries, particularly LDCs. Spending by developing countries on food security and poverty alleviation measures would be exempt from reduction commitments, and the *de minimis* for developing countries should be raised.

Net Food-Importing Developing Countries

NFIDCs have not spoken as a group in the current negotiations. Some individual countries have put forward proposals (Egypt, Kenya, Burkina Faso and others), as has the African Group, whose members are predominantly NFIDCs and/or LDCs. By and large, the AoA and its underlying logic offer little to these countries. They depend on the world market to meet a considerable proportion of their food needs on a regular basis but cannot command secure supplies because they lack secure foreign exchange reserves. Were world food prices to rise, they would be the first to suffer. Indeed, although the prices of many crops fell in 1997, 1998 and 1999, the FAO calculated that NFIDCs continued to pay more for their food, because of a decline in concessional and grant food donations. The shortfall was made up with commercial sales.

However, dependence on subsidised imports is bad for local producers, damages local development and leaves countries beholden to their suppliers. The politics behind US food aid, including the deliberate creation of future commercial markets, provides a clear example of the hidden costs of dependency. Many NFIDCs are aware of these problems, as indeed is the US President, albeit in another context. Speaking in December 2000, (while still President elect), he told a group of US farmers, "A country that can feed itself is a country that is more secure in its borders."

As a result the proposals from NFIDCs have emphasised particular aspects of the reform process. One is the need for reform and implementation of the Marrakesh Ministerial Decision, which was supposed to protect the NFIDCs from price spikes. WTO members have to date refused to implement the decision. Proposals for its reform include the creation of a fund, administered by the FAO, to cover world price increases, and an automatic trigger to release this financial support.

LDCs

LDCs, although identified as a group in the AoA, do not work as a group in the Committee on Agriculture in any formal sense. Many LDCs have submitted positions to the negotiations, and some of them work with other groups, but they do not negotiate as a distinct bloc. The recent UN Conference on LDCs, held

in Brussels in May 2001, highlighted the tensions created for the South of making trade preferences available only to LDCs and not to other developing countries. Sensitivity among the southern governments over the EU's decision to open its markets to LDCs for "Everything But Arms" was prompted by concerns that improved market access opportunities for LDCs would be at the expense of markets for slightly less poor countries, in the Caribbean and elsewhere. Unfortunately, informal conversations with many LDC representatives indicate how vulnerable these countries are to bilateral pressure, making them very weak at the WTO. This is compounded by the lack of representation (many LDCs are not represented by a mission in Geneva) and the weak capacity to analyse and interpret negotiating strategies.

The Like-Minded Group

One group of developing countries that has submitted joint proposals (although not all have signed every proposal) is known as the Like-Minded Group. These countries identify an interest in liberalising agricultural trade in the North while protecting their ability to support their own producers. Members of this informal alliance include Pakistan, the Dominican Republic, Cuba, Honduras, Haiti, Nicaragua, Kenya, Uganda, Zimbabwe, Sri Lanka, and El Salvador. India has on occasion supported submissions from this group. Proposals have included papers on market access, a Development Box, and S&D. The proposals all very clearly reflect the view that deeper reduction in expenditures and tariffs is essential from the North (eg continuing the reform process) but that greater flexibility should be provided for developing countries (ie excluding developing countries from deeper commitments, and revising existing commitments to correct imbalances and end measures that impede development).

Issues for Developing Countries



Duncan Green

Developing countries want better access to northern markets for their clothing exports

Protectionism, market access and market distortions

Protectionism and market access are complicated issues. Developed country governments have damaged the interests of developing countries, especially the most vulnerable and indebted, by using the international financial institutions to push liberalisation in the South. At the same time they have protected domestic sectors in the North, including those of most interest to the South, such as textiles and agriculture. The WTO seemed to offer a forum for remedying this imbalance, but the results to date have been profoundly disappointing.

It is not clear that greater market access will help the South, still less its poorest people and communities. In practice, it has been multinational companies, many from the North and some from the South, that have exploited market access opportunities. Sometimes they bring investment and employment to the countries where they work, but not always. Empirical work by the UN Conference on Trade and Development (UNCTAD) in the commodities sector suggests that benefits for the producer country are often limited.³² Developed and developing country farmers have many common positions because their experience is that expanding export markets does not increase their final net income.

Moreover, our knowledge of the limits of renewable resources calls into question an export-focused model for agriculture, since such a model can push small farmers and poor communities into absorbing its environmental costs. The cost of transport alone is enormous, when one considers the externalities of environmental damage involved in the production and use of energy. Many export crops require intensive use of scarce resources including water and land, and increased inputs, often imported, such as fertiliser and pesticide. Particularly for the poorest countries, the investment of money and scarce skilled staff required to meet quality standards and provide adequate infrastructure for trade is prohibitive. It forces reliance on foreign companies for know-how and capital, and drives small farmers to assume potentially disastrous levels of debt.

Implementation

Developing country delegations in Geneva stress the need to address a range of inequities and problems that have arisen in the implementation of the Uruguay Round agreements, known in WTO parlance as "implementation issues". Many see this as their highest priority and have little appetite for the kind of "comprehensive round" of new negotiations currently being proposed by the EU. In addition to longer

transition periods for developing countries to implement various Uruguay Round agreements, the main implementation issues include:

- **Textiles:** developed countries that agreed to open up their markets to garment and textile imports have delayed liberalisation until the last possible date of the ten-year liberalisation process, effectively maintaining protection until 2005.
- **Anti-dumping:** developed (and increasingly, large developing) countries have resorted to ever more anti-dumping actions to block imports. One tactic is to use back-to-back anti-dumping actions against the same country – when one action ends, another immediately begins in what has become known as “trade harassment”.
- **TRIPs:** developing countries resent the pressures that deter them from using the flexibility theoretically guaranteed under the TRIPs agreement to put health needs before property rights. In Brazil and South Africa, this flexibility has been challenged by pharmaceutical companies in the courts, and by the US government through bilateral pressure. (TRIPs are also discussed on page 24.)

Sanitary and Phytosanitary Standards

Developing countries have not seen their export opportunities expand under the AoA. Some of this has to do with the high tariffs and other protection measures kept in place. Another barrier has been the use and abuse of Sanitary and Phytosanitary Standards (SPS). The SPS Agreement determines the rules for setting human, animal and plant health standards for imports. The agreement names the Codex Alimentarius Commission, an intergovernmental body administered jointly by the FAO and the World Health Organisation, as the standard-setter for human health. The International Office of Epizootics is responsible for animal health and the FAO's Secretariat of the International Plant Protection Convention deals with plants. The agreement commits WTO members to base all SPS measures on scientific principles.⁵³ Any country seeking to use a higher standard than the international norm must provide scientific evidence to support its claim.

Although many of the high profile fights on food safety have been between the US and EU (eg on hormones used in beef production and the use of genetically modified organisms), there are growing complaints from developing countries. They claim that, as more obvious tariff barriers to their exports have fallen, the developed countries are abusing the SPS rules by exaggerating health risks from imports as an excuse to keep out products that compete with those of their own farmers. One World Bank study of the EU's SPS rules on aflatoxins in African exports of cereals, dried fruit and nuts found that the standards set by the EU cut health risks by an estimated 1.4 deaths per billion, while they reduced exports from Africa by 64 per cent, depriving Africa of revenues worth US\$700 million.⁵⁴

This issue is complex. Consumer concerns about food safety are not motivated primarily by protectionism. Protectionist interests may try to hide behind consumers, but consumer organisations are an organised political voice in their own right, with no particular allegiance to the farm sector or industry. In fact, many consumer organisations are vocal supporters of liberal trade rules. Food safety concerns are a real and growing part of trade politics. International trade also increases the risk of introducing invasive species and spreading disease. There are larger questions about our food system and the role of international trade within it that require more thought. As it is, food safety discussion in Geneva is polarised and lacks adequate analysis. Funding for much more comprehensive participation by developing countries in international standard-setting bodies is urgently needed.

CASE STUDY

Central African Republic *Structural adjustment plus trade liberalisation damages food security⁵⁵*

The CAR implemented a tax and tariff reform in January 1994, taking WTO principles into account and moving towards a reduction of customs duties. The aim of the reform and the country's structural adjustment programme was to improve public finance and rationalise public spending. The policy of supporting producers and/or exempting them from tax was considered expensive and to be used only in exceptional cases. Subsidies of all kinds were abolished in 1994.

The impact of these reforms on farm incomes, on the availability of foodstuffs, and therefore on food security, was generally negative:

- the end of the agricultural price support, in particular in the cotton and coffee sectors, reduced producer prices and immediately depressed farm incomes;
- the reduction of cotton purchase prices, combined with increased prices for fertiliser and insecticides, discouraged and disempowered peasant producers. This situation led in 1999 to a fall of 13.6 per cent in the area under cotton and a 27 per cent reduction in the cotton crop;
- reductions in staff at the Ministry of Agriculture reduced the capacity and efficiency of the technical extension service;
- the low level of coffee purchase prices, combined with the lack of technical extension service, difficulties in the supply of fertiliser and pesticides, owing to their high cost and lack of financial support, also discouraged the peasants, causing an exodus from rural areas;
- the opening of the CAR economy damaged the sugar sector, which suffered from the competition of cheaper imports, exacerbated by the persistent use of protectionism and export subsidies by developed countries.

Erosion of preferences

Small island developing states face a particularly difficult situation as international trade is liberalised. Many of these countries' exports rely on preferential market access agreements and their erosion by across-the-board tariff reductions under WTO and other trade agreements has already caused economic dislocation in countries that cannot afford alternatives. For example, Mauritius is a small exporter of sugar in global terms but is enormously dependent on the revenue its sugar exports generate at the national level under preferential terms. Small island developing states have strongly resisted the EU "Everything but Arms" proposal for this reason. Another small state, Guyana, is a relatively small exporter of rice, but that revenue makes up 40 per cent of its total export revenues.⁵⁶ While the world rice market would not miss Guyana as an exporter, Guyana's economy would suffer enormously if it lost market share.

One proposal is to create quotas for "vulnerable economies" that are heavily dependent on the export of one or two primary commodities. This would set a floor price and minimum volume of exports to ensure steady export revenues. Under preferential agreements such as the Lomé Convention, some countries have become dependent on the higher internal prices for agricultural products in the EU, making them supporters of the CAP and resistant to reform. Many developing countries are excluded from the preferential schemes, however, and their needs will not be addressed without reform. A new approach based on the relative vulnerability of an economy rather than historical relationships would be a positive step.

Dumping

US agriculture depends on expenditures no other country, except perhaps the EU as a region, could hope to match. From domestic support to port and rail facilities, environmental clean-up to export credits, US agriculture is expensive and unsustainable. Yet this is the model that underlies the AoA. Perhaps the single largest problem with this system, a problem the WTO should be able to address, is dumping. Through domestic support programmes, the US government is complicit in the sale of commodities at home and abroad for less than the cost of production.⁵⁷

Producers and processors from other countries are then forced to compete with this dumped production, a competition they cannot hope to win, any more than they can win against EU export subsidies. Yet the issue has barely surfaced at the WTO.

Export subsidies are another major contributor to the problem of dumping. The EU maintains fixed domestic

prices internally, which are often higher than prevailing world prices. Over time, the CAP has led to chronic over-production of agricultural products. The EU has disposed of much of this excess on world markets, creating surpluses that bring world prices down. Although the CAP is gradually undergoing reform, export subsidies remain a major instrument of EU agricultural policy, despite the damage they cause developing countries. Exports of subsidised beef, poultry, preserved fruit and other products are all documented as having harmed developing countries, either by competing with domestic producers in home markets, or crowding out exports in third country markets.

State Trading Enterprises

The US and EU together have targeted STEs as trade-distorting. In response, Canada and others have asked why STEs should be scrutinised if private traders are not. The largest grain traders (there are hardly any small companies left) dwarf any existing STE. For example, the Canadian Wheat Board has revenues of more than US\$400 million. In contrast, the estimated annual revenue of Cargill (no exact figures are published) is more than US\$50 billion.⁵⁸ STEs offer a mechanism for public oversight in agricultural production, distribution and marketing that can cover for gaps in the private sector and ensure vulnerable populations are not neglected. The three countries with large export STEs (New Zealand, Australia and Canada) have argued that the trade issue is not ownership (public versus private) but economic power in the world market and capacity to cross-subsidise (eg by charging more on the domestic market than overseas). For developing countries, the lack of competition in world agricultural markets creates a distortion that should at least be investigated.

Non-trade concerns and food security

A central Cairns Group position has been to deny the validity of discussing non-trade concerns (NTCs) during the agriculture negotiations, on the grounds that if they are not trade concerns, they do not belong in the WTO. However, some individual Cairns Group members have been more open to the discussion, provided it is restricted to developing countries.

Non-trade concerns have always been a part of the AoA. In some ways, proposals on MFA give substance to this language, although it is unfortunate that the proposals and emphasis have been overwhelmingly rooted in developed countries. MFA is interesting for organisations that want to build sustainable agricultural systems. Agriculture is about food security, employment, and culture as well as about production

of food for sale in a market. It also has effects on the environment and the surrounding geography and economy that are not always captured by the markets in which they operate. Bringing this reality to the WTO seems, on the face of it, a good thing.

However, the idea is so vague as to allow dozens of interpretations, many of them based more on *realpolitik* and vested interests than on social concern. The developed countries proposing MFA have more or less said: "We can afford it, and should be allowed to carry on supporting our agriculture in this way." In many cases (certain EU products excluded) there is some truth to the claim that the effect on world markets is small because the amount of production in export terms is small. However, there has been very little attempt to understand MFA in a developing country context.⁵⁹ In fact, the approach undermines the premise of the AoA itself, which is that food security depends on open and deregulated world markets. In practice, developing country agriculture is often highly multifunctional, in terms of its contribution to job creation or poverty reduction, but that multifunctionality is undermined by the AoA's promotion of industrialised models of agriculture. Until developed countries can demonstrate that MFA will not mean continuing to push trade liberalisation on the South, while justifying environmentally damaging over-production, developing countries will continue to develop their own proposals, such as the Development Box, to meet their non-trade concerns.

Special and Differential treatment

S&D recognises that trade rules should reflect the different needs of countries according to their level of development. This is achieved by providing the flexibility and policy space within WTO agreements to allow governments to give priority to their development needs. This notion was part of the debate in Havana in 1947, at the conference that was to have launched the International Trade Organisation (ITO). However, when the ITO negotiations collapsed, the concept did not survive in the original General Agreement on Tariffs and Trade. Only in the 1960s were commitments extended to developing countries that recognised the need for public investment in development, in Article XVIII of the GATT.⁶⁰

AoA failed to provide meaningful S&D. Much of the S&D language is in the form of "best endeavour" clauses, and many developing countries argue that unless these are converted into binding commitments and operationalised, they are unlikely to amount to anything more than pious hopes. If anything, the status quo favours developed countries at the expense of the South, for example, by legalising the use by the

EU and the US of export subsidies. The challenge is to develop policies that make sense for countries as diverse as Brazil and Mauritania. The categories of developed and developing are anyway politicised at the WTO (witness the US attempts to have China accede as a developed country, or the accession of former Soviet Asian states as developed). A different approach could provide rules that apply to all, but distinguish among the trade interests and power of the EU, Mauritania and Brazil. For example, rather than make a developed/developing country division, the distinction could be based on the size of the country's contribution to total world trade and the relative dependence on the resulting foreign exchange. The countries where small contribution combines with high dependence would receive the highest preference.

Meaningful S&D requires more use of automatic triggers. Existing provisions for protecting one's market from dumped imports require proof of harm, except for the AoA's Special Safeguard mechanism, which is open only to a handful of countries, most of them developed. Gathering evidence and proving such harm in a watertight fashion is a daunting prospect for all but the largest developing country governments. Particularly in agriculture, with many small farmers, showing harm to a sector is complicated. Instead, more use should be made of international standards (such as the OECD's Producer Support Equivalent – a more comprehensive form of the AMS) to trigger the right to invoke tariffs against import surges. The onus should be on the relatively much wealthier exporting countries and their companies to prove that they are not subsidising or otherwise dumping their goods. Similarly, implementation of the Marrakesh Ministerial Decision currently requires international agreement on the causes of rising food prices. Instead, a given world food price could be used to trigger access to international aid for food purchases. Such aid should not add to poor countries' debt burden and should aim to improve agricultural productivity and target assistance to small-scale farmers.⁶¹ Moreover, it should be recognised that food aid can create a culture of dependency and that the priority should be to find long-term solutions to replace reliance on aid.

A Development Box in the AoA

CIDSE's member for England and Wales, CAFOD, along with the South Centre, an inter-governmental organisation based in Geneva, has been working on a proposal for a Development Box in the AoA. This work builds on a submission from a group of developing countries to the Committee on Agriculture in June 2000.^{62,63}

The Development Box consists of a package of changes to the AoA aimed at enabling developing countries better to address their food security concerns and to preserve and improve rural livelihoods. In particular, it advocates rules that provide greater flexibility to governments to give priority to small producers and "food security crops", defined as crops or animal products that are either staple foods in the country concerned, or are the main sources of livelihood for low-income and resource-poor farmers.

For food security crops and small producers, the Development Box would build on current levels of S&D in the areas of both domestic support and protection of domestic markets. Developing countries would be able to impose "special safeguard measures", temporarily raising tariffs when small farmers are threatened by import surges. They would also be able to nominate a list of food security crops that would be exempted from the AoA reduction commitments. Developing country governments would be able to spend money on a wider range of support for small farmers, without it being included in their spending total (AMS) and hence subject to AoA commitments to reduce levels of domestic support.

Trade-Related Intellectual Property Rights⁶⁴

The WTO's Agreement on Trade-Related Intellectual Property Rights has its own political dynamic, country groupings and negotiating trajectory. It is a key piece of any discussion on food security because of its implications for public access to genetic resources.

A clause in the TRIPs agreement requires governments to afford patent protection for micro-organisms and biological processes. It also requires protection for new plant varieties. Many developing countries have resisted these requirements, objecting from the ethical principle that no human being can "own" life, but also from the (well-founded) fear that a few large transnational companies will use patent rights to appropriate genetic resources and local knowledge around the world.

The concern is that the knowledge of southern farmers and indigenous communities, which is responsible for developing crops and the use of plants, will not be legally recognised, whereas companies that genetically change biological resources will be rewarded. Farmers would then have to purchase these patented seeds at high prices, even though the farmers themselves are the original source of the knowledge behind them. This leads to higher cost of seeds and food products. The infamous "bio-piracy" case of a US company attempting to patent a variety of Basmati rice (originating in the Punjab region of South Asia) is but one example of the problem.

There is also serious concern that there is not enough publicly-funded independent plant genetic research to keep genetic knowledge and technology in the public domain or to determine its safety. Moreover, the market power of biotechnology companies in the global food system is enormous and growing. Their main motivation is corporate profit, rather than to reduce rates of food insecurity and poverty as they sometimes claim. The "terminator technologies" were designed to ensure annual revenue, forcing farmers to buy new seeds every year.

The Doha Ministerial Meeting

The WTO will hold its fourth ministerial conference in Doha, Qatar, on 9-13 November 2001. The third ministerial conference, held in Seattle in 1999, brought the WTO to public attention in unprecedented fashion. Large public demonstrations took place outside a barricaded conference centre, while inside contentious negotiations ended in breakdown.

Very little progress has been made on substantive negotiations since Seattle. As then, the key underlying question for Doha is whether governments will agree to launch a new round of negotiations, and if so, whether they decide to include new issues, or restrict themselves to the built-in agenda of negotiations on services and agriculture combined with reviews of the agreements on TRIPs and Trade-Related Investment Measures, or whether they will settle somewhere between the two.

A broad round would include a number of issues for simultaneous negotiation and a finishing date, as was common under GATT. The EU, Japan, South Korea and much of Latin America are strong proponents of a broad round. This could include investment, competition, government procurement, industrial tariffs, electronic commerce, environment and labour issues, in addition to the built-in agenda.

After initially pushing for a "limited round" comprising the built-in agenda, implementation, transparency in government procurement, industrial tariffs, and electronic commerce, but not environment, labour, investment or competition, the US has moved to close the gap with the EU. Following a summit meeting between their respective trade negotiators in July 2001, the US displayed new openness on issues such as investment and competition. However, it is far from clear that there is sufficient political support within the US to agree a broad trade negotiating mandate.

Developing countries are not united on the question. Some see a broad round as necessary to get their issues on the table. This has been the Cairns Group position: the members see cross-sectoral negotiations as necessary to elicit an EU commitment to reduce agricultural protection. LDCs met in July 2001 and showed little enthusiasm for a new round, the Tanzanian Trade Minister declaring "most of us are not ready, psychologically, materially and technically, for a new round." The EU has been quite openly trying to buy support for a broad round by offering development assistance and market access to LDCs.

Other developing countries, for example many members of the Like-Minded Group, such as India, Pakistan and Malaysia, are adamantly opposed to a round. They argue the agenda is already full with the implementation problems created by the Uruguay Round. The limited resources available to developing countries makes following multiple negotiations

difficult, and risks worsening already evident imbalances. It is clear that many of the Uruguay Round agreements were barely understood by too many developing country governments, who were not present at their negotiation and not assisted to take an active part. Although such issues as investment and competition are very relevant for developing countries, the proposals to date have reflected the interests of developed country companies seeking access to developing country markets, and have been strongly resisted by developing countries. Experience of investment rules in bilateral and regional trade agreements such as NAFTA has been so negative as to create strong resistance.

Very little has been done to address the problem of developing countries' limited capacity to participate in existing WTO work, even though the negotiations in Seattle collapsed because of this problem. Some 30 countries have no mission in Geneva, and many others have a mission staffed by one or two delegates. The practice of informal negotiations, with most developed countries but relatively few developing countries represented, continues. Moreover, capacity, is not the main issue. Many of the inequities in the WTO spring from power politics: countries do not negotiate as equals, and diplomatic pressure from stronger on weaker players frequently forces the latter to accept outcomes which they know are not in their best interests.

CIDSE's view

CIDSE and its member agencies, alongside many other civil society organisations in North and South that work on trade issues, do not support the introduction of new issues into negotiations at this stage. Before agreeing to launch a new round, the parties should focus on dealing effectively with implementation issues – aiming to correct existing imbalances and enhance S&D. CIDSE and its member agencies are calling for an assessment of the impact of existing agreements. Institutional reform of the WTO is also urgently required if developing countries are effectively to further the interests of their people in trade negotiations.

Summary

- Minimal progress has been made at the WTO since the Seattle meeting in 1999.
- Serious disagreement is likely in Doha between proponents of a broad round of negotiations, proponents of a limited round and those developing countries which oppose any new round until their implementation concerns have been dealt with.
- Most NGOs, including CIDSE, support this last position, requiring that the WTO put its house in order before moving on to new areas.

CIDSE's Recommendations

CIDSE believes the following proposals could contribute to ensuring that the WTO in general, and the AoA in particular, promote (and do not undermine) development and food security among the world's poorest communities and countries. This is both a requirement of Article 20 of the AoA, and a question of justice.

1. Making the WTO work for the poor⁶⁶

Co-ordinated and coherent action at the international level is needed to ensure that the global economy is managed in the interests of all, and to achieve the 2015 target of halving the proportion of the world's people living in absolute poverty.⁶⁴ International institutions, like national governments, should accept their responsibility for ending poverty and hunger, and be judged according to their success in achieving these ends. Some, like the World Bank and IMF, have publicly committed themselves to working towards poverty reduction. Others, like the WTO, have more instrumental goals – in the WTO's case, to provide a forum for governments to negotiate trade agreements. A first step in ensuring coherence would be for all international institutions to be working towards the same goals.

In CIDSE's view, the AoA should adopt as its overriding aim the World Food Summit target of halving world hunger by 2015. The WTO should also state publicly that the achievement of the 2015 poverty reduction target is an explicit objective of its work. In working towards these targets, institutions will need to look beyond existing models of economic management, which are based on the assumption that liberalisation will necessarily reduce poverty. Above all, far higher priority must be given to issues of equity, redistribution and the gender impact of trade policies.

If all international institutions and agreements were working towards the same goals, the difficulty of resolving any conflicts between the plethora of international agreements that now exist would be reduced. The 2015 targets would provide criteria for comparison and discussion of different agreements and processes, but only if much greater attention were given to social and environmental impact assessment, and to empirical analysis of the impact of existing agreements and processes. Such a step would also help ensure that international agreements and institutions contribute to, rather than undermine, national poverty reduction strategies.

2. Reforming the Agreement on Agriculture

The following fundamental changes to the AoA are needed:

- 2.1 Reduce the excessive levels of domestic support and export subsidy in the developed countries, which are seriously undermining developing countries' trading prospects by dumping cheap food on the world market, thereby artificially reducing world prices. This could be achieved by:
 - Greatly reducing, narrowing the scope of, and/or capping the use of domestic support and export subsidies within the Green and Blue Boxes.
 - Making any tariff reduction commitments by developing countries conditional on prior substantial reduction by the developed countries in all three areas of market access, domestic support and export subsidies.
 - Non-renewal of the Peace Clause for developed countries, when the clause expires in 2003. This would open developed country domestic support to challenge under the WTO Agreement on Subsidies and Countervailing Duties.
- 2.2 Increase access for developing country exports (especially those produced largely by small farmers) to developed country markets. This could be achieved by:
 - Capping tariff peaks and exploring mechanisms for ending tariff escalation.
 - Exploring mechanisms for giving preferential access to products grown by small farmers in developing countries.
 - Dealing with abuses of anti-dumping procedures.
 - Greater transparency in the allocation of Tariff Rate Quotas with special preference being given to the least developed countries.
- 2.3 Increase flexibility for developing country governments to protect and support small farmers and the production of food security crops, through the introduction of a Development Box into the AoA.⁶⁸ This could be achieved by introducing instruments on both domestic support (for those governments with sufficient resources to support their farmers) and market access (to protect small farmers against import surges).

On market access:

 - Extend Special Safeguard measures for developing countries' food security crops.
 - Developing countries should be able to exempt specified food security crops from tariff reduction commitments.

On domestic support:

- Developing country governments should be given a wider range of AMS exemptions for spending on small farmers.

2.4 Give extra help to poor countries that have seen their preferential trade agreements eroded by broader tariff reductions. This could be achieved by creating quotas for "vulnerable economies" that are heavily dependent on the export of one or two primary commodities. This would set a floor price and minimum volume of exports to ensure steady export revenues.

2.5 The Marrakesh Decision should be overhauled and made operational. This could be achieved by using a given world food price to trigger access to international aid for food purchases. The aid should not add to poor countries' debt burden and should aim to improve agricultural productivity and target assistance to small-scale farmers.⁶⁹ The FAO should be given responsibility for organising the mechanisms for support, for example through a special fund to be built up by regular contributions from developed countries.

3. Special and Differential treatment

- Funding for much more comprehensive participation by developing countries in international standard-setting bodies is urgently needed.
- The WTO should consider new approaches to S&D, for example basing the degree of such treatment on a country's contribution to total world trade or its ability to distort world markets, rather than its GNP per capita.

4. The agreement on TRIPs

The TRIPs agreement is in urgent need of reform. In particular, countries that want to ensure that property rights regimes genuinely benefit poor people and communities in developing countries should seek to:

- Use the current substantive review of Article 27.3(b) of TRIPs to exclude all life forms from patenting and remove the requirement for plant variety protection.
- Ensure consistency between TRIPs and the provisions of the Convention on Biological Diversity – ensuring free and fair access to genetic resources, prior and informed consent and benefit sharing (stop bio-piracy).
- Stop the development and (commercial) application of "terminator technologies".

5. Future negotiations

CIDSE's members do not support the introduction of new issues into negotiations at this stage. The crippling constraints on developing country participation make it almost impossible to achieve a pro-development outcome from any new negotiations. Instead, the priorities for the WTO in the coming years should include:

- Giving serious attention to the many difficulties in implementing the Uruguay Round trade agreements.
- Bringing the agriculture negotiations to a successful and pro-poor conclusion.
- Introducing impact assessment as a central activity, both in reviewing past agreements and policies, and in designing any new agreements.
- Broader institutional reform of the WTO to ensure greater transparency, and more equal participation by developing country members, and to tackle the widespread harassment and arm-twisting of weaker nations by stronger ones
- A greatly enhanced role for Special and Differential treatment for developing countries, focussing on measures to end poverty and food insecurity.

Glossary

- **2015 targets** (see International Development Targets)
 - **Anti-Dumping:** Measures taken by governments to block imports of goods that are allegedly being sold at below the cost of production. The subject of a Uruguay Round agreement.
 - **AoA:** Agreement on Agriculture – a WTO agreement negotiated as part of the Uruguay Round of trade negotiations
 - **AMS:** Aggregate Measure of Support – a measure of the amount of government support to a sector. Includes both direct and indirect support.
 - **Cairns Group:** Group of agricultural exporting nations lobbying for liberalisation of agricultural trade.
 - **De minimis:** Minimum level of domestic support, expressed as a proportion of the total value of production, below which AoA reduction commitments do not apply.
 - **Development Box:** A proposal for enhanced S&D for developing countries, targeted at food security crops and small farmers.
 - **Dumping:** Products are “dumped” when they are sold for less than the cost of production or at less than the price of that product in the domestic market of the exporting country.
 - **FAO:** Food and Agriculture Organisation – the main UN body dealing with agriculture.
 - **Food Security:** All people, at all times, having physical and economic access to sufficient safe and nutritious food for an active and healthy life.
 - **GATT:** General Agreement on Tariffs and Trade – signed in 1947 in Geneva, Switzerland, by 23 countries as the basis for a multilateral trading system.
 - **Implementation issues:** WTO parlance for the range of inequities and problems that have arisen in the implementation of the Uruguay Round agreements.
 - **IDTs:** International Development Targets – the resolutions of various UN summits brought together as a set of targets for human development. The best known is halving the proportion of the world’s people living in absolute poverty by 2015.
 - **LDCs:** Least Developed Countries – UN category of the poorest developing countries. According to the WTO website, there are currently 49 LDCs.
 - **Like-Minded Group:** Informal grouping of some developing country WTO members that are most sceptical about the free trade agenda. Includes India, Indonesia, Kenya and Pakistan.
 - **Marrakesh Decision:** A recognition by WTO members that the AoA’s effect on global food market prices could harm poor countries, and a promise to compensate them accordingly.
 - **Most Favoured Nation:** An agreement between countries to extend the same trading privileges to each other that they extend to any other country.
 - **MFA:** Multifunctional Agriculture – the idea that agriculture has many functions in addition to producing food and fibre, eg environmental protection, landscape preservation, rural employment, etc.
 - **NAFTA:** North American Free Trade Agreement – an accord signed in 1992 by Canada, Mexico and the United States. Came into effect in 1994.
 - **National Treatment:** The obligation that an imported product, after entering the importing countries, should be treated as a national product.
 - **NFIDCs:** Net-Food Importing Developing Countries – the WTO category of those countries (about 19 in all) that are dependent on food imports.
 - **NTCs:** Non-trade concerns – the WTO term for issues such as environment, food security or labour standards.
 - **SPS:** Sanitary and Phytosanitary Standards – government 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 – recognises that trade rules should reflect the different needs of countries according to their level of development, by providing poorer countries with more flexibility in policy to allow them to give priority to their development needs.
 - **TRIPs:** Trade-Related Intellectual Property Rights – agreement drawn up by the Uruguay Round of the GATT and implemented by the WTO. Covers a wide range of intellectual property issues, including patents on plants and seeds.
 - **Uruguay Round:** Marathon round of the GATT negotiations (1986-94) that resulted in the creation of the WTO on 1 January, 1995.
- See page 11-12 for definitions of:
- Amber Box
 - Article 20
 - Blue Box
 - Green Box
 - Peace Clause
 - Red Box
 - Special Safeguards (SSG)
 - Tariff Escalation
 - Tariff Peak
 - Tariff Rate Quotas (TRQs)

1. FAO (1995) *Elements for possible inclusion in a draft Declaration and Plan of Action on Universal Food Security*, FAO: Rome.
2. One reservation is that cultural acceptability can be problematic. For example, many cultures find it acceptable that women eat less than men, starting from childhood. Gender and household consumption patterns must be explicitly taken into account when defining and measuring food security.
3. Available on-line at <http://www.virtualsask.com/via/lavia.deceng.html>
4. FAOSTAT database, August 2001.
5. For a fuller discussion of debt and development, see CIDSE (1998) *Putting Life Before Debt*, Brussels.
6. http://www.wto.org/english/res_e/statis_e/chp_1_e.pdf
7. UN Conference on Trade and Development 2001 *Trade and Development Report*, pp 29-32, UNCTAD: Geneva.
8. Sourisseau, J.M., K. Traore, S. Sanon (November 2000) The impact of liberalisation measures (world trade, regional trade and agricultural sectors) on the wheat and rice sectors of Burkina Faso, IRAM-AEDES (consultants to the EC).
9. The WFS commitment is not included in the seven International Development Targets drawn from the various UN commitments, of which the best known is halving the proportion of the world's people living in absolute poverty by the year 2015. While CIDSE agencies endorse the IDTs, they believe the WFS commitments are most relevant to a discussion of trade and food security.
10. FAO (April 2001) *Mobilising Resources to Fight Hunger*.
11. Article 25 of the Universal Declaration of Human Rights and Article 11 of the Covenant on Economic, Social and Cultural Rights.
12. FAO, *The State of Food and Agriculture 2000*, p199.
13. "Is there a Sustainable Agriculture Option?" Presentation by Professor Jules Pretty, University of Essex, at the Overseas Development Institute, London, 20 June 2001.
14. Hewitt de Alcántara, C. (1993) *Real Markets: Social and Political Issues of Food Policy Reform*, Frank Cass, in association with EADI and UNRISD: London.
15. UNIFEM, *Gender and Globalisation, Liberalisation and the Economic Crisis*. http://www.unifem.undp.org/ec_trad.htm
16. APRODEV (April 1999) Ghana Case Study Presentation, as quoted in John Madeley, (2000) *Hungry For Trade*, APRODEV.
17. Myriam Vander Stichele (1998) *Gender, Trade and the WTO – A Ghana Case Study*, Women Working Worldwide.
18. Gladwin (1992) *Food or Cash Crops: Which is the Key to Food Security?* Christine H. Gladwin, Anne M. Thomson.
19. Sally Baden (1998) *Gender Issues in Agricultural Liberalisation*, Institute of Development Studies.
20. Pujo L. (1996) *Towards a methodology for the investigation of the embeddedness of markets in social institutions: application to gender and the market for local rice in Eastern Guinea*, a thesis submitted to the Faculty of Social Sciences for the degree of Doctor of Philosophy, University of Oxford.
21. Based on CAFOD field research in Mexico Nadal Alejandro (September 2000), *The Environmental and Social Impacts of Economic Liberalization on Corn Production in Mexico*, study for WWF International and Oxfam GB; ANEC (November 1999) *Los cambios estructurales en el mercado del maíz en Mexico 1982-99*.
22. Sally Baden (1998) *Gender Issues in Agricultural Liberalisation*, Institute of Development Studies.
23. The GATT referred both to the agreement and the staff that worked in Geneva to oversee the implementation of the agreement. GATT staff also facilitated the various negotiating rounds.
24. UK government Department of Trade and Industry, written answers to questions from UK Trade Network, September 1999.
25. There are exceptions to the rule, including for customs unions such as the European Union and for the trade advantages extended to LDCs under Generalised Systems of Preferences (GSP).
26. Watkins, K. (1991) *The World Agricultural Trade Crisis and the Uruguay Round: Implications for the South*, (draft version), CIIR: London.
27. Stevens, Kennan & Yates (1998) *Levelling the Field: Will CAP reform provide a fair deal for developing countries?* CIIR: London, contains a review of the different NGO studies.
28. See for example, Tschirley, D.L. (1998) "La faim est-elle de retour?" in *Courrier de la Planète*, No. 43, pp 18-19, Jan-Feb 1998, Solagral: France.
29. For a recent survey of the debt issue see *From Debt to Poverty Eradication*, CIDSE, June 2001.
30. FAO (1999) *Agriculture, Trade and Food Security: Issues and Options in the WTO Negotiations from the Perspective of Developing Countries*, FAO: Rome.
31. These and other studies are reviewed in *The Impact of Trade Liberalisation on Food Security*, CIDSE background paper, May 2001, www.cidse.org
32. Phillip Baumel, *How US Grain Export Projections from Large Scale Agricultural Sector Models Compare with Reality*, discussion paper, May 2001, IATP: Minneapolis.
33. Daryll Ray at the University of Tennessee has produced a very useful series of policy briefing papers on agricultural economics entitled *Policy Works*.
34. OECD (May 2001) *The Uruguay Round Agreement on Agriculture: An evaluation of its implementation in OECD countries*, Executive Summary, OECD: Paris.
35. OECD (May 2001) *The Uruguay Round Agreement on Agriculture: An evaluation of its implementation in OECD countries*, Executive Summary, OECD: Paris.
36. OECD (2000) *Agricultural Policies in OECD Countries*, Paris.
37. Mark Ritchie, Suzanne Wisniewski and Sophia Murphy (November 2000) *Dumping as a Structural Feature of US Agriculture: Can WTO Rules Solve the Problem?* discussion paper, IATP: Minneapolis.
38. Eugenio Diaz-Bonilla et al (2000) *Food Security and Trade Negotiations in the World Trade Organization: A Cluster Analysis of Country Groups*, TMD Discussion Paper No. 59, December 2000. International Food Policy Research Institute: Washington, D.C.

39. Panos Konandreas, Ravi Sharma and Jim Greenfield (November 1998) *The Continuation of the Reform Process in Agriculture: Developing Countries' Perspectives*, seminar paper, 23-24.
40. WTO, "Market Access: Unfinished Business," *Special Studies* 6, p 6, WTO: Geneva.
41. Sophia Murphy (1999) *Trade and Food Security: An assessment of the Uruguay Round Agreement on Agriculture*, CIIR: London.
42. Questionnaire prepared for country round table on Bangladesh, WTO/UNCTAD/WB High Level Meeting on LDCs, Oct 1997. Available on WTO website at <http://www.lcds.org/bangladesh/bangneed.htm>
43. These calculations are made on the basis of a WTO document, *Statistical Addendum* to "The Effects of the reduction Commitments on World Trade in Agriculture," reference: G/AG/NG/S/11/Add.1, 24 July 2000, WTO: Geneva. The WTO credits the FAO as the source for its data. The calculation for Sub-Saharan Africa included (in order of importance of share): Côte d'Ivoire, Kenya, Zimbabwe, Ghana, Cameroon, Nigeria, Tanzania, Uganda, Mauritius, Malawi, Swaziland, Mali, Namibia, Burkina Faso, Benin, Botswana, Chad, Senegal, Democratic Republic of Congo, Zambia, Madagascar, Togo, Burundi, Niger, Mozambique, Mauritania, Guinea, Rwanda, Central African Republic, Guinea-Bissau, Congo, Sierra Leone, Gambia, Lesotho, Gabon, Djibouti, and Angola.
44. <http://www.fas.usda.gov/itp/wto>
45. WTO Submission G/AG/NG/W/58 14, *Proposal for Tariff Rate Quota Reform*.
46. For example, the US has refused to support a new legal centre that will offer affordable counsel to LDCs in WTO-related trade disputes.
47. The current members are Argentina, Australia, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Fiji, Guatemala, Indonesia, Malaysia, New Zealand, Paraguay, Philippines, South Africa, Thailand, and Uruguay.
48. WTO reference G/AG/NG/W/38.
49. WTO reference number G/AG/NG/W/91.
50. Conclusions of the Agriculture Council on 20 and 21 November 2000, EC *Comprehensive negotiating proposal*, Doc. 13656/00 Annex I.
51. Quoted in *The Tennessean*, 23 December 2000.
52. Mehmet Arda, presentation based on paper by UNCTAD, reference TD/B/COM.1/27, "The World Commodity Economy: Recent Evolution, Financial Crisis and Changing Market Structures" July 2000: Geneva.
53. Article 2.2, SPS Agreement, WTO, 1994.
54. Bruno Dokon (October 2000) *Implementation of the Uruguay Round Agreements. The Central African Republic case* Ministry of Trade, of Industry and of private sector promotion. International Workshop: "Support for the West and Central African countries as regards agricultural multilateral negotiations", Dakar, Senegal.
55. Otsuki, Wilson and Sewadah (2000) *Saving Two in a Billion: A Case Study to Quantify the Trade Effect of European Food Safety Standards on African Exports*, World Bank Development Research.
56. Dominic Eagleton (April 2001) *The International Rice Market: A Background Study*, Oxfam UK: Oxford (draft).
57. Mark Ritchie, Suzanne Wisniewski and Sophia Murphy (November 2000) *Dumping as a Structural Feature of US Agriculture: Can WTO Rules Solve the Problem?* discussion paper, IATP: Minneapolis. The submission of Morocco to the Committee on Agriculture also raises the problem.
58. Sophia Murphy, "Market Power in Agricultural Markets: Some Issues for Developing Countries," *Trade-Related Agenda, Development and Equity Working Papers*, No. 6. November 1999. South Centre: Geneva.
59. In fairness, there has been considerable intellectual investment in definitions. However, this has not been as evident in the proposals made at the WTO. And attempts in inter-governmental fora to push the notion further, such as the FAO conference held in Maastricht in September 1999, were paralysed by Cairns Group members, who feared any international understanding on MFA would undermine the attempt to keep the issue off the agenda in Geneva.
60. A recent overview of this question is provided by Hesham Youssef (1999) "Special and Differential Treatment for Developing Countries in the WTO", *Trade-Related Agenda, Development and Equity Working Papers*, No. 2. June 1999. South Centre: Geneva.
61. For a detailed analysis by Action Aid of the Marrakesh Decision and proposals for change, see www.actionaid.org/pdf/marrakesh.pdf
62. Submission to Agriculture negotiations, G/AG/NG/W/13, www.wto.org, June 2000.
63. This work builds on submissions from a group of developing countries to the Committee on Agriculture in June 2000 and July 2001.
64. CIDSE's views on TRIPs are set out in detail in *Biopatenting and the Threat to Food Security* (2000) available on <http://www.cidse.org/pubs/tg1ppcon.htm>
65. *Bridges Weekly Trade News Digest*, Vol5, Number 29.
66. For other institutional reform proposals covering issues such as internal democracy, capacity building and dispute settlement, see "Recommendations for ways forward on institutional reform of the WTO", on www.cafod.org.uk/policy and a further paper on www.trocaire.org/news/trade_matters.htm
67. For a fuller discussion of this and other international development targets, see <http://www.paris21.org/betterworld/home.htm>
68. A fuller set of proposals for the Development Box is available on the CAFOD website on <http://www.cafod.org.uk/policy/devbox.htm>
69. For a detailed analysis by Action Aid of the Marrakesh Decision and proposals for change, see www.actionaid.org/pdf/marrakesh.pdf

CIDSE, International Cooperation for Development and Solidarity,
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CIDSE members share a common vision on poverty and social justice and a common
strategy on development programmes, development education and advocacy.
CIDSE's advocacy work covers three themes : debt and structural adjustment, social
development, and trade and food security.

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et la Solidarité**



Rue Stévin 16, B-1000 Brussels, Belgium

Tel: 32-2-230 7722 - Fax: 32-2-230 7082

E-mail: postmaster@cidse.org - Web site: <http://www.cidse.org>