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THE FOURTH MINISTERIAL MEETING OF THE WORLD TRADE ORGANIZATION - AN ANALYSIS

By Maude Barlow

From November 9-13, 2001, trade ministers and negotiators from 142 countries will come together in Doha, Qatar, for the Fourth Ministerial meeting of the World Trade Organization (WTO). Although security concerns prompted calls to have the meeting moved from Qatar to Singapore, Qatari officials, who have spent more than \$50 million (US) on facilities and hotel accommodations, would not relinquish the right to host the meeting.

On October 26, the WTO released its final Draft Ministerial Declaration which outlines the main agenda items for the meeting. A day later, the WTO released a "Draft Decision" on outstanding issues of concern to Developing Countries. What follows is an analysis of what is being proposed by the WTO for the Qatar meeting and what it will mean for the citizens of Canada and other countries.

Background

The World Trade Organization was formed in 1995 at the conclusion of the "Uruguay Round" of GATT (General Agreement on Tariffs and Trade) negotiations. The WTO, using its status as a permanent institution with a huge secretariat, began to enforce the GATT and more than twenty separate agreements on services, intellectual property, agriculture and investment. Since the actual creation of the GATT in 1948, there have been eight "rounds" of negotiations, each consisting of a series of meetings spread out over several years to negotiate a fixed agenda of issues.

The first six rounds concentrated exclusively on tariff reductions. But the last two rounds, the "Tokyo Round" (1973-1979) and the "Uruguay Round" (1986-1994) began to target "non-tariff barriers" - the rules, policies, and practices of governments, other than those pertaining to tariffs, that can have an impact on trade. Governments began to negotiate for rules on "trade-related" items concerning agriculture, genetically modified foods, environmental regulations and financial and social services. A controversial body of rules on intellectual property rights and investment measures were put in place to be further expanded under the brand new WTO.

Operating out of Geneva, Switzerland, with a secretariat of five hundred, the WTO was mandated to enforce more than twenty separate trade agreements. It was given sweeping

power to do so, with not only a body of rules governing the global economy but also with the powers and tools of a global government.

Unlike the GATT, which was effectively a business contract between nations, the WTO was given "legal personality" with an international status equivalent to that of the United Nations but with enormous enforcement powers denied to the UN. The WTO now has acquired the legislative, judicial and executive powers of a global governing body, including international trade tribunals to adjudicate disputes. As such, the WTO is the most powerful global institution of our time.

Under the WTO's dispute settlement mechanism, member countries can challenge the laws, policies and programs of other countries. The losing country must abide by the decision of unelected trade tribunals or face severe fines and permanent economic sanctions. In effect, the WTO has the authority to strike down any domestic law, policy or program judged to be in violation of strict business-friendly trade rules.

Although on paper all member countries are equal under the WTO, in reality, larger countries have the economic power to withstand trade sanctions from smaller countries, whereas smaller countries are always at a disadvantage in a dispute with a more powerful country. It is no surprise that of the 117 WTO challenges to date, the United States has initiated 50.

Seattle's Legacy

Given its new powers and the interest that the WTO was engendering among NGOs, labour groups, environmentalists and others in civil society around the world, it is no surprise that the stakes were very high for the WTO when it met in Seattle, Washington, in November, 1999, to launch a whole new round of trade negotiations. The agenda for the "Millennium Round" was extremely ambitious.

The United States and Canada, joined by other food-exporting nations, wanted to remove remaining trade barriers and subsidy programs in agriculture and to set rules that would force all member countries to import their genetically modified foods. The U.S and Europe were vigorously promoting a new round of negotiations that would strengthen intellectual property rights. Through "procurement" and "competition" negotiations, the powerful countries wanted access to government contracts, giving their corporations the right to compete with domestic companies for lucrative government projects. And, for the first time, the global services sector, including health care, education, culture and environmental services such as water, was on the table.

The talks broke down under three stresses. First, a growing anti-WTO civil society movement had taken deep root in many countries, and, through the internet, had come together as a formidable international presence. Members of this movement correctly

observed that the WTO has no minimum standards to protect the environment, social programs labour codes or cultural diversity, and has been used to eliminate a number of key nation-state environmental, food safety and human rights laws. Thus, the WTO was directly and negatively affecting their work. Over 1,600 organizations around the world signed on to a "No New Round" pledge and many thousands of citizens took to the streets of Seattle during the meeting, vowing to shut it down.

Second, the European Union and the United States came to loggerheads over the issue of food security. Many European countries had developed strong regulations to ensure the safety of their food systems, especially after having lived with the terror of mad cow disease. North America and Europe were already locked in a WTO dispute over Europe's ban on nontherapeutic use of hormones in its food supply and its subsequent trade restrictions on North American beef and were heading toward disagreement over genetically modified foods. Europe was also committed to a more inclusive definition of agriculture, insisting that its "multifunctionality" characteristics, such as food diversity, the health of farming communities and environmental concerns, be considered in any WTO rules developed around food.

Third, the Developing Countries, deeply disappointed that their concerns from the last round of talks were not on the agenda in Seattle, rose up as one voice and demanded to be heard. Issues of market access to Northern country markets and the power imbalance between North and South had been promised them at the end of the Uruguay round. In fact, it was their understanding that no new major initiatives would be on the table until their concerns about such issues as intellectual property were dealt with. Once again treated by powerful Northern countries as second-class citizens, they basically called the trade talks off hours before President Clinton shut the whole meeting down.

A Rescue Operation

The WTO Millennium Round ended in disgrace. A mortified American Administration tried to put the best face forward on the collapse, as did the WTO leadership. But so complete was the rout that took place, there was even speculation that the WTO might disintegrate. However, powerful forces behind the scenes in Washington, London and Geneva and in corporate boardrooms fought back, and the WTO got to work in four key areas.

First, The United States and the European Union set out to mend fences between them. Their top trade bureaucrats, Pascal Lamy and Robert Zoellick, share a hardline position on trade and agree on the necessity of forcing Europe to abandon its high agriculture and food security standards. Lamy has convinced the U.S. to give Europe more time to take down the agricultural subsidies, but is basically in lockstep with the U.S. on global trade talks that will include agriculture.

This does not mean that Lamy can get all European governments onside, however, or that

the disputes between the hardline trade bureaucrats and trade ministers on one side, and the health, agriculture and environmental officials and politicians on the other, have been resolved. There is still great potential for disagreement in Qatar around Europe's attachment to a different view of food and food security.

Second, Michael Moore, Director-General of the WTO, set out on a furious round of meetings with Developing country delegations, business leaders and politicians to mend fences. The message he brought with him was very aggressive; free trade is the Third World's best friend and the NGOs and labour groups in the North who protested in Seattle just want to protect their jobs and lifestyles and don't care at all about the world's poor. Moore promised that the WTO would treat Developing Countries' concerns as a top priority and succeeded in having this meeting called the "Growth and Development Round."

Further, the EU and the US aggressively sent their senior negotiators, including U.S. Trade Representative, Robert Zoellick and European Trade Commissioner Pascal Lamy, to Third World capitals to meet with government trade ministers and leaders and impress upon them the urgency of the need for restored negotiations. This "capital based initiative" intensified in the last several months.

As well, the General Council of the WTO agreed on May 3, 2000, to study the concerns of Developing Countries and report with a series of recommendations before the next proposed Ministerial meeting. The text of this process, called "Implementation-Related Issues and Concerns" was released on October 27, 2001.

Third, WTO officials and national trade ministers and their bureaucrats have been meeting with select groups of NGOs and civil society organizations to try to enlist their support for a new round. Especially targeted have been development groups who have been given the same messages as Third world governments; trade is the only way to alleviate poverty and your sector must help us get it "right." In Geneva, there have been a number of high-level consultations which most groups who participated have termed "useless" and done for cosmetic reasons only.

In Canada, Trade Minister Pierre Pettigrew has quietly held regular meetings with civil society, also targeting development groups with the same message. He and International Development Minister Maria Minna are now equating development with market access and supported the theme of "Growth and Development" for the new Round. They are arguing that, in the post September 11 recession, the only way to kick start the global economy is a new WTO Round.

Finally, citing trade in services as the only area in which there was no contention in Seattle, the WTO commenced services negotiations in earnest.

The General Agreement on Trade in Services (GATS) had been established in 1994 and was one of the trade agreements adopted for inclusion when the WTO was formed in 1995.

Negotiations got underway in February, 2000, chaired by Canada's Ambassador to the WTO (and former International Trade Minister) Sergio Marchi.

The common goal of Europe, the U.S. and Canada is to reach a general agreement by December, 2002 and much rides on concluding successful negotiations on services. Not only is this a huge and lucrative sector, with enormous amounts of money to be made by the powerful corporate forces in the services business, but coming to agreement over contentious issues for civil society such as social programs would be a real tour de force for the WTO against its detractors.

The New Round

Slowly the push for a new Round, or at least a high-level meeting, took root and the search was on for the location of the Ministerial meeting for November, 2001. At first the powers at the WTO rejected Qatar; they knew that the choice of a country that does not permit demonstrations or public expressions of political opinion would be roundly criticized by civil society groups. However, no other viable offer was forthcoming, as most governments didn't want a repeat of Seattle in their cities. So Qatar was reluctantly chosen to host the meeting.

In the leadup to setting an agenda for the meeting, the same old differences seemed to be emerging along the same lines of contention. Martin Khor of the Third World Network describes it best:

"The multilateral trading system, and the WTO, are at a crossroads. Decisions made this year at the WTO as we approach Doha itself, will have an important effect on which direction the trade system will head. The most important of the decisions is whether the next few years will see the WTO members doing their best to rectify the problems and imbalances in the rules and system, or whether the proposal for a 'new comprehensive Round' is accepted, in which case more new issues are added to the WTO which will distort the trading system and add on even more to the existing imbalances..."

"The developed countries have not lived up to their liberalization commitments, yet they still proclaim that it is unquestionably beneficial for developing countries to liberalize their imports and investments as fast as possible. Developing countries are asked to bear for a little while the pain of rapid adjustment which is surely good for them after a few years, whereas the developed countries which advocated this policy themselves ask for more time to adjust in agriculture and textiles which have been protected for so many decades."

On June 26, 2001, Europe and the U.S. announced an official consensus on their position going into Qatar. It was very ambitious: a full new Round with new negotiations on agriculture, industrial tariffs, services, procurement, investment, competition, trade facilitation and e-commerce. The reaction was swift. India, Pakistan, Indonesia, Philippines,

the Africa Group, Kenya and 30 countries of the Least Developed Countries group (LDCs) rejected calls for a new Round and made clear their disapproval of any agenda that includes investment, competition and government procurement.

Hong Kong's Representative summed up their collective position with these words: "For those who continue to argue for a 'comprehensive Round,' I have to say honestly that an overly ambitious agenda is a recipe for no new Round at all. More importantly, many developing members are not yet ready to take on some of the new commitments beyond their means."

New Pressures

However, where this stalemate stands in the aftermath of September 11 is unclear. As with everything else in the world, the terrible events of that day changed the status quo for the WTO.

Robert Zoellick, U.S. Trade Representative, has launched a drive, endorsed by the Bush Administration, to persuade Congress to grant the President "fast-track" authority that was denied President Clinton throughout his tenure. Fast-track would require Congress to pass trade bills in their entirety, with no changes. Without fast-track, now called "trade promotion authority," no government will sign an agreement with the U.S. because the treaty could be changed by the U.S. Congress after other countries have signed it.

Zoellick has equated support for free trade with the fight against terrorism. He says that in signing such legislation the United States would be signalling to the world that it does not plan to retreat from its global responsibilities, including the defence of free trade against terrorist threats and opponents of globalization, thereby linking anti-globalization protesters with terrorism.

On September 24, he went before a Congressional committee and said: "On September 11, America, its open society and its ideas came under attack by a malevolence that craves our panic, retreat and abdication of global leadership. This President and this Administration will fight for open markets. We will not be intimidated by those who have taken to the streets to blame trade - and America- for the world's ills." Saying that U.S. leadership is vital in promoting the international economic and trading system, Zoellick added that free trade "promotes the values at the heart of this protracted struggle."

Federal Reserve Board chairman Alan Greenspan told Congress that a window of opportunity for expanded free trade has opened up because the world is in a more cooperative mood. "As a consequence of the spontaneous and almost universal support that we have received from around the world, an agreement on a new round of multilateral trade negotiations seems more feasible. A successful round would not only significantly enhance world economic growth, but also answer terrorism with a firm reaffirmation of our

commitment to open and free societies."

So it is no surprise that the Bush Administration has been putting added pressure on Developing Countries to come on board the new Round bandwagon. After high-level meetings on September 24, top trade officials from the U.S. State Department and the Mercosur countries of South America - Brazil, Argentina, Uruguay and Paraguay - pledged to work together to launch an ambitious new round of world trade talks at the Qatar meeting and promised to "redouble" their efforts to conclude negotiations on the FTAA. This joint announcement came only hours after the Bush Administration endorsed an \$8 billion emergency package for Argentina from the IMF.

Similar trade and debt relief packages are being made with other countries such as Pakistan. The U.S. has also lifted its boycott of Pakistan which had been put in place when that country tested nuclear weapons. India is coming under intense pressure not only to support the American war coalition, but to drop its opposition to the WTO talks as well. It is very difficult to predict where all this will lead, but it is certain that there is much soul-searching going on among Third World countries as they try to decide if disagreeing with the United States over trade is the same as being on the "other side" in the global war on terrorism.

Ministerial Declaration

It is against this backdrop then, that we must examine the Ministerial Declaration that was released on October 26, following a draft text that was circulated a month earlier. Written by Stuart Harbinson of Hong Kong, Chair of the WTO's General Council, the Ministerial Declaration is the most important document of Doha as it will set the work and mandate of the WTO's proposed new Round.

The text has been met with cries of outrage from civil society groups and many Third World governments, especially the LDCs (Least Developed Countries) because it presumes a consensus on a future WTO agenda which does not exist. With calls for a whole host of new initiatives so opposed by the Developing Countries, including competition, investment services and government procurement, it is clearly biased in favour of a Northern agenda. The text ignores the enormous contribution of civil society to this dialogue. And it contains no provisions to protect the environment, labour standards or social programs.

Civil Society Ignored

What stands out immediately upon reading the Declaration is the total rejection of the concerns raised by civil society from all over the world. Biopiracy, protection of drug companies and the effect of their high-priced drugs on the poor, labour standards, environmental concerns, food security, and the need to carve out areas of "the commons" such as health care, education and water are just some of the areas of concern to civil

society that have been all but rejected for deliberation by the WTO.

The hard work that went into joint statements signed by thousands of organizations world wide, such as *WTO Shrink or Sink* and *Our World is Not For Sale*, is completely ignored. This is clear even from the use of language. Wherever the WTO is dealing with issues it intends to pursue, the language is forceful and the directive is clear. Hence, they "agree" to negotiations on a whole host of areas such as services and government procurement and they "instruct" various committees to fulfil mandates.

Yet in a section called "Trade and Environment" - the *only* reference to any area of contention raised by civil society - they agree to "give particular attention to" several issues constantly singled out by civil society, such as labelling, intellectual property, and the relationship between the multilateral trading system and multilateral environment agreements. However, the only commitment is to receive this "attention" at the next Ministerial meeting in two years, where the WTO will assess the need to "clarify relevant WTO rules" in these areas. That is it for the environment. And there is no language whatever on social rights, labour issues or public safety.

Third World Rejected

The same goes for issues of imbalance between rich and poor countries and the repeated demands of the South that their issues be addressed. The Declaration does not recognize at all the existence of imbalances in the WTO that favour wealthy countries, and fails to address Southern demands for market access to Northern markets. The text gives the impression of unanimity; reading it without a knowledge of the history of dissention between First and Third Worlds, one might think that all member countries favour the recommendations it contains. This is simply not true.

Many Developing Countries and their civil society organizations have expressed great concern with the premises of both the Declaration and the Report on Implementation-Related Issues and Concerns. In particular, they reject the new items of investment, competition and government procurement as well as the push in the Declaration to further remove Third World industrial tariffs, as many countries have suffered severe deindustrialization in the wake of previous tariff reductions.

The Third World Network says the revised October text is worse than the September text, which its member groups roundly rejected. At least in the September text, several areas of disagreement, such as investment and competition, were "bracketed" to show the lack of consensus. There was a choice given between either starting negotiations immediately or continuing to study the area in question. But in the revised text, the option has been removed, even though disagreement around these contentious issues are more entrenched than ever.

Once again, the tone of the language sets the Implementation Report - the document that deals with the South's agenda - apart from the Declaration - the document that sets the North's agenda. It is apparent where the WTO intends to take action and where it merely wants to continue a "dialogue." Hence, the WTO will "address the implementation difficulties encountered by Developing Countries" and "develop recommendations" in a whole host of vague areas, whereas, in the Declaration, the language is much stronger and pro-active.

The new text continues to exclude the Developing Countries' key demands, while vigorously advancing many proposals to which these WTO members adamantly object. Meanwhile, the list of provisions that Developing Countries have identified for urgent review and repair are even more watered down in the new text. Under existing WTO agreements, the poorest countries' share of world trade has declined and many poor countries' development and health policies have come under attack as violations of WTO rules. The new text responds to these demands by effectively restating the U.S. hardline position that none of these issues will be addressed without further concessions by the Third World.

In particular, there are six areas of particular concern to Canadians and other people around the world.

1) *Services*

When the General Agreement on Trade in Services (GATS) was formed in 1995, its mandate was to continuously meet with a view to "progressively raising the level of liberalization" on the trade in the world's services sectors. The GATS is what is called a "multilateral framework agreement," which means that its broad commission was defined at its inception and then, through permanent negotiations, new sectors and rules are to be added.

Essentially, the GATS is mandated to restrict government actions in regards to services through a set of legally binding constraints backed up by WTO-enforced trade sanctions. The repeated rounds of GATS negotiations are designed to expand the takeover of service delivery by transnational corporations in such critical areas as: health care; hospital care; home care; dental care; child care; elder care; education - primary, secondary and post-secondary; museums; libraries; law; social assistance; architecture; energy; water services; environmental protection services; real estate; insurance; tourism; postal services; transportation; publishing; broadcasting and many others. Not only is the ability to deliver these services in the public sector threatened, but as well, governments' authority to regulate any service - public or private - is under attack.

The services sector represents the fastest growing market in international trade and the push to bring services under the auspices of WTO enforcement rules is clearly motivated

by corporate interests. On its website, the European Commission says the GATS is "first and foremost an instrument for the benefit of business."

GATS negotiators have recently been given instructions to broaden and deepen the agreement by:

- * increasing the number and extent of services covered by countries;
- * eliminating country exceptions that protect GATS-inconsistent rules and regulations from challenge;
- * targeting critical sectors such as health, education, water, and postal services which many countries did not fully cover in the last round of talks; and
- * developing new GATS rules restricting "domestic regulation," which would curtail governments' ability to enforce environmental, consumer, health, social security or other public interest rules and standards that the WTO deems "more burdensome than necessary."

In the recent WTO Declaration, there is no dispute indicated between the member countries as to moving ahead with an ambitious agenda on services. The authors "reaffirm" their commitment to move ahead with negotiations and establish a timeframe for the request and offer phase of market access negotiations - a step further than that taken in the September text. There is not one indication that the WTO has heeded any of the civil society concerns around the threat to social programs and public services this development will entail.

2) Government Procurement

There is also no dispute indicated among member countries as to moving ahead with government procurement negotiations, in spite of the fact that this item is a key bone of contention for many Third World countries and local community groups around the world. There is already an agreement on this issue - the WTO Agreement on Government Procurement. Its aim is to prevent governments from fostering domestic economic development when purchasing goods and services. Measures now targeted by the WTO include favouring local or national suppliers, setting domestic content standards, or imposing community investment rules. Unlike other WTO agreements, the procurement rules are optional.

However, for the Qatar meeting, the WTO wants to set up new talks toward a multilateral agreement on transparency in government procurement, which would represent the next step in forcing all member governments to follow the WTO rules. Thus, governments could be required to publish all upcoming contracts, thereby giving transnational corporations

from other member countries the right to compete against local companies. In some countries, government expenditures can be as high as one-third of GDP, so the amount of money taken out of local economies if local businesses don't receive these contracts could be onerous.

Disturbingly, the mandate of the Working Group on Transparency in Government Procurement is to negotiate an agreement that would apply to goods and services, a process that would reinforce parallel talks on procurement in the GATS. If this happens, local service providers working in child care, education, water delivery, municipal services, prisons, transportation, health care and a whole host of other areas, could be subject to head-to-head competition against transnational service companies with deep pockets and the backing of powerful governments.

3) *Investment*

There was some dispute in the September draft Declaration around the issue of investment which was not surprising, given the inter-governmental squabbling that took place around the ill-fated Multilateral Agreement on Investments (MAI). Two options were given. One called for a whole new negotiation whose aim was "to establish a multilateral framework of rules to secure transparent, stable and predictable conditions for long-term cross-border investment, particularly foreign direct investment." The other would have established a slower process and become a "built-in" item whose progress would be reported to the Fifth Ministerial in 2003.

However, in the October text, in spite of the strong continuing resistance by Developing Countries and civil society groups to the inclusion of investment in the WTO, only one option for investment is presented. The WTO promises to focus work in the next two years (until the 5th Ministerial) to clarify elements of a multilateral investment framework. The core elements mentioned are familiar - scope and definition, transparency and non-discrimination. Then at the 5th Ministerial, the next phase of the negotiations would be advanced. While the whole concept of investor-state is not mentioned in this text, U.S. officials have been quietly talking about such provisions in future talks.

Big private sector companies and their governments, especially those of the U.S. and Europe, have long wanted a global investment treaty that would guarantee and protect the entry and establishment of their production operations in all nations. They also want the right to invest directly in any country and any sector in the world and not have to contribute to the local economy in any way. In fact, a full treaty, including investor-state rules that would have allowed corporations to sue governments (similar to NAFTA's Chapter 11 provisions) was put to the very first meeting of the newly formed WTO in 1995, but was far too contentious. It was sent off to the OECD, where it was soundly defeated by international public opinion.

The GATS, however, already contains rules that give investment rights to transnational service companies. These investment rights are being expanded in the built-in negotiations on the GATS that continue in Geneva. When national treatment provisions of the GATS are applied in an unlimited way, foreign for-profit corporations have to be treated the same as local suppliers and become eligible for the same public subsidies.

Over the last several years, more than 1,700 bilateral Investment Treaties (BITS) that contain investment protection and investor-state rights to sue governments, have been signed between governments. Citizens should make no mistake: the powers that be in the WTO, Washington and Europe have not given up on this dream and will not in the near future.

4) Competition Policy

Similarly, the September draft Declaration gave two options on the subject of competition policy. Option One proposed negotiations aimed at a full new agreement with a large mandate. Option Two committed to the establishment of a Working Group on Competition to report to the Fifth Ministerial in 2003. As with investment, the two options on competition in the September text recognized the deep disagreement within the WTO over this issue. However, in the October Declaration, only one option - full speed ahead - was offered, adding another direct insult to the very large number of Third World countries opposed to its inclusion in these talks.

The goal of competition policy, relatively new to trade negotiations, is to reduce or eliminate practices that appear to protect domestic monopolies. Ostensibly, the aim is to promote competition; but the result, particularly for Developing Countries, is that they are often forced to break up their existing monopolies, only to find that they have given foreign-based transnational corporations golden opportunities to come in and pick off the smaller domestic companies and establish a whole new monopoly protected by WTO agreements and enforcement rules.

As with investment, this proposal is fiercely opposed by many Third World countries and civil society groups. An agreement on competition policy in the WTO would give large transnational corporations even greater powers than they now enjoy and would give the WTO important new rights to discipline governments attempting to foster local economies and communities.

5) Intellectual Property Rights

Intellectual property refers to types of intangible property such as patents which generally grant its holder an exclusive power. Trade rules on intellectual property extend this exclusive right, often held by corporations, to the other signatory countries to the agreement. As of January 1, 2000, all WTO member countries are now subject to the rules

of the WTO Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS).

This agreement sets enforceable global rules on patents, copyrights and trademark. It has gone far beyond its initial scope of protecting original inventions or cultural products and now permits the practice of patenting of plants and animal forms as well as seeds. It promotes the private rights of corporations over local communities and their genetic heritage and traditional medicines. It allows transnational pharmaceutical corporations to keep drug prices high; recently, TRIPS has been invoked to stop developing countries from providing generic, cheaper drugs to AIDS patients in the Third World.

In fact, this issue alone could scuttle the talks in Qatar. The United States, Canada, Switzerland and Japan have signalled their intention to block any type of consensus making the TRIPS agreement more flexible for poorer countries. Several countries, led by Brazil and India, have been vigorously lobbying for a declaration by ministers at Doha. It would declare that "nothing in the TRIPs agreement shall prevent governments from taking measures to protect public health." The "flexibilization" of the TRIPS agreement is seen as a key tool to ensure accessible prices for anti-AIDS medicines through local manufacture of such drugs, through importation of generics and by means of a differential pricing policy. Under current WTO rules, such practices are barred.

A consensus statement was intensely negotiated over the last several months, but talks broke down on October 24. The U.S. and its allies maintained that this "pro-public health" provision would give Developing Countries wide powers to override drug patents which grant international protection for the large pharmaceuticals.

And there is no debate or ambiguity in the Declaration over the TRIPS agenda, in spite of the fact that this may be the most ferociously opposed aspect of the WTO for many Developing Countries and NGOs. On September 17, hundreds of NGOs released a statement calling for the fundamental revision of TRIPS as it promotes monopolies by big companies, blocks the access of the public to affordable medicines and other products, and helps facilitate biopiracy. The Declaration merely instructs the TRIPS Council to give "due attention" to the relationship between the TRIPS Agreement and the Convention of Biological Diversity. It makes a reference to a separate document on TRIPS and health, which has been condemned as an inadequate and controversial document by the Third World Network and others.

In fact, this Declaration is a step backward from the pre-Seattle Ministerial text, which included some of the concerns of the Africa Group and others regarding a ban on patenting of living organism or living process. And the hypocrisy of the Northern position was exposed recently when Canada and the United States both sought to go around their own patent protection regimes in order to secure a supply of antibiotics to counter any domestic Anthrax attacks. The WTO's TRIPS position is intolerable in its entirety and must be resisted.

6) *Agriculture*

The WTO Agreement on Agriculture (AOA) sets rules on the trade in food and restricts domestic agriculture policy, down to the level of support for farmers, the ability to maintain emergency food stocks, set food safety rules and ensure food supply. The WTO Agreement on the Application of Sanitary and Phytosanitary Standards (SPS) sets constraints on government policies relating to food safety and animal and plant health, from pesticides and biological contaminants to food inspection, product labelling and genetically engineered foods. The WTO Technical Barriers to Trade (TBT) Agreement is being used to create an international regime to harmonize environmental and other standards that effectively creates a ceiling but no floor for such regulation.

Between them, these three agreements, along with TRIPS, have given food, chemical and drug companies huge monopoly rights over the world's food production and the conditions under which our food and pharmaceuticals are produced. They are the source of great dissent in the countries of the South, as is the fact that, while Third World countries have been forced to open their markets to agriculture products from the North, most First World countries have not reciprocated. So not only are Southern countries on the receiving end of punishing rules set by these trade agreements that have destroyed their small scale farms and rural communities, now their exports cannot compete with subsidized imports from the North.

In the Declaration, the WTO recognizes the need to give "special and differential treatment for developing countries" to take into account the concerns of Developing Countries. It also "takes note" of "non-trade concerns" reflected in the submissions of some members. (The authors don't give examples, but they are referring here to Europe's former demands that agriculture be defined in a "multifunctionality" manner.) However, after these niceties, the Declaration reaffirms its commitment to a "market-oriented trading system" of strengthened rules and the eradication of domestic support for farmers and farm communities.

The revised text does nothing to address the fact that the implementation of the current trade rules has already caused much damage to poor local farming communities worldwide, especially in Developing Countries, and has increased control by Northern agro-business corporations over global food and agriculture trade and production.

Conclusion

As we move toward the Fourth Ministerial Meeting of the World Trade Organization, we know we are living in a changed world. This is a very painful time for all of us. September 11, 2001 and its aftermath changed our world, perhaps forever. Until the tragic events of that day, we were building the most exciting movement of recent times and having a real impact on global politics. Suddenly, the forces of violence, retribution and repression have

been unleashed everywhere and many of the values we hold dear are being challenged as never before.

As George Monbiot of *The Guardian* says, the right has seized the political space which opened up where the twin towers of the World Trade Centre once stood. For many of us working in international justice work, the growing attack on terrorism threatens to undo many years of building. Suddenly, social security is taking a back seat to physical security and human rights are negotiable. Money earmarked for health care, education and to fight poverty is needed to build more weapons. Environmental concerns are unpatriotic.

And our work against soulless trade agreements will come up against serious charges. We will be told we are anachronistic at best, and perhaps dangerous. There are only two "sides" in this war on terror, we will be told, and we have to pick one. The arming of the West and the creation of a war economy is creating a climate ripe for intensifying the criminalization of dissent.

In light of these terrible changes, it is more important than ever that our work continue and our voices be heard. We believe that a fairer international system based on economic and social justice, environmental stewardship and fair trade and investment practices is not only possible but utterly essential for the survival of the planet. We know that a fairer world is a safer world and that our leaders can build fair trade systems if they will listen to the ordinary people so deeply affected by their policies every day.

But two years after Seattle, it is as if our leaders have learned nothing. The threat to farmers and workers has never been greater. There is a growing divide between rich and poor nations and the rich and poor within nations. The theft of traditional knowledge is accelerating as is the spread of Western-style monoculture. People are dying of preventable diseases because they cannot afford available drugs. The land, air, oceans and freshwater systems have all deteriorated. Business as usual in Doha is just not acceptable.

We must demand once again "No New Round." We must once again demand a full assessment of the existing trade rules on the lives of the world's citizens and the ecosystem in which we live. Disputes launched over "non-tariff barriers" such as environmental rules and food standards must cease. We must call for a moratorium on the GATS talks until we are satisfied that our governments will retain the ability to protect us in the key areas of public health, social justice and human rights. The patenting of all life forms and living processes must be prohibited in TRIPS. And we must "carve out" those areas of the commons necessary for social security and the survival of the planet.

A different, better world is possible. But it will not come through the proposed agenda for the Doha Summit. The work ahead for us is clear.

ADDENDUM

The most important agreements enforced by the WTO

- * The General Agreement on Tariffs and Trade (GATT), whose mandate is to eliminate all remaining tariff and non-tariff barriers to the movement of goods across nation-state borders. The GATT contains the two core WTO articles: National Treatment, whereby imported and locally-produced goods and services must be treated equally regardless of the conditions under which they were produced and regardless of whether it will displace local farmers or workers; and Most Favoured Nation Status, whereby each member country must treat the imports of all member countries equally, regardless of the countries' human rights records, environmental conditions or working standards.
- * The General Agreement on Trade in Services (GATS) is the first multilateral, legally binding enforceable agreement covering services such as banking, insurance, data management, communications, and financial services. Negotiations are now underway to expand GATS to fully cover more services, including health care, education, social security, culture, energy and environmental services, including water.
- * Trade Related Intellectual Property Measures (TRIPS), which set enforceable global rules on patents, copyrights and trademark and permit patenting of many plant and animal forms as well as seeds. Recently, transnational pharmaceutical corporations have invoked TRIPS monopoly protection rules to try to stop developing countries from providing generic, cheaper drugs to AIDS patients.
- * Trade Related Investment Measures (TRIMS), which dictate what governments can and cannot do in regulating foreign investment. Many corporations want to use TRIMS to introduce investor-state rules directly into the WTO so that they could sue foreign governments for legislation causing them lost future profits.
- * The Agreement on the Application of Sanitary and Phytosanitary Standards (SPS), which sets constraints on government policies relating to food safety and animal and plant health, from pesticides, and biological contaminants to food inspection, product labelling and genetically engineered foods. The SPS oversees the Codex Alimentarius, an agreement mandated to harmonize worldwide food quality standards, and is largely controlled by the big food and agribusiness corporations. The SPS Agreement has been used to defeat the use of the "precautionary principle," which allows regulatory action when there is risk of harm, even if there remains scientific uncertainty about the extent and nature of the potential impacts of a product or practice.
- * The Financial Services Agreement (FSA), which was established to remove obstacles to the free movement of financial service corporations, including banks and insurance

companies, and which is opening the door to mega- mergers in the financial sector and the loss of local economic control in many countries.

* The Agreement on Agriculture (AOA), which sets rules on the international food trade and restricts domestic agriculture policy, down to the level of support for farmers, the ability to maintain emergency foodstocks, set food safety rules and ensure food supply. The AOA has been roundly criticized for intensifying resource exploitation, corporate farming and rolling back environmental protections.

* The Agreement on Subsidies and Countervailing Measures, which sets limits on what governments may and may not subsidize and contains many loopholes favouring wealthy countries and agribusiness.

* The Agreement on Technical Barriers to Trade (TBT), which ensures that nations' regulations (non-tariff barriers), such as environmental standards, do not interfere with trade liberalization. Under its rules, a nation must be prepared to prove, if challenged, that its environmental and safety standards are both "necessary" and the "least trade restrictive" way to achieve the desired conservation goals, food safety or health standard. This means that a country bears the burden of proving a negative - that no other measure consistent with the WTO is reasonably available to protect environmental concerns. The TBT also sets out an onerous procedural code for establishing new laws and regulations so arduous that it is very difficult for any nation to meet.

* The Agreement on Government Procurement, which sets limits on what guidelines or requirements governments can use when purchasing goods and services, such as "domestic content" or community reinvestment rules.