

Neoliberal Globalization: Cancún and Beyond



An In-Depth Report on the World Trade Organization

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Introduction

They Want It All....and They're Using the WTO to Get it.

Stop The Corporate Steal!

The transnational corporations that dominate the world's economy are demanding even more rights and less responsibilities through trade talks at the World Trade Organization. They, and the powerful governments which support them, want more power, more control and more profit. That includes control over:

The food that we eat – as huge agribusiness corporations seek to open markets even further so that they can capture and control them, while promoting the use of biotechnology in agriculture so that farmers will become “bio-serfs” or lose their livelihoods altogether. (See sections on Agreement on Agriculture, TRIPS, and Hungry For Profit, pp. 10-14)

The water we drink – as giant water corporations push agreements like the GATS (see *Anything You Can't Drop on*

Your Foot, p. 14) to advance and lock on privatization of water. They want to turn a basic human right and necessity into a high source of endless private profit.

The right to determine our own futures – as secret trade and investment deals are negotiated behind closed doors to remove the rights of governments and communities to have any real say on the kinds of trade, investment, social, environmental and economic policies which reflect their needs, values and realities.

...And life itself – as pharmaceutical and agribusiness corporations try to force governments to allow for the patenting of lifeforms for private monopoly profit, and as biodiversity becomes yet another commodity to be exploited, bought and sold in the market place

Across the world and in our communities, people are resisting these attacks.

The WTO's war of terror against people and the planet must stop!



Protestor in Seattle at the WTO mobilization in November, 1999 expresses his feelings about being tear gassed. The four days of protests helped to seriously derail the 1999 WTO Ministerial meeting held there. The Seattle mobilization was the largest ever in the U.S. against the neoliberal globalization agenda and was largely viewed as a major shot in the arm to the global movement against neoliberalism.

Photo: A. Foelsche

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Neoliberal Globalization's Triple Bottom Line: Capitalism, Colonialism and Commodification

"The corporate caterpillars come into our backyards and turn the world to pocket change... They preach from the pulpit of the bottom line. Their minds rustle with million dollar bills."

In her song, *The Priests of the Golden Bull*, Cree singer-songwriter Buffy Sainte Marie captures the essence of the neoliberal globalization agenda. ¹

2003 marks the tenth anniversary of the signing of the North American Free Trade Agreement (NAFTA) and 511 years of resistance against colonialism in the Americas.

The Fifth Ministerial of the World Trade Organization (WTO) takes place in Cancún, Mexico, September 10-14, 2003.

Neoliberal Globalization: Cancún and Beyond

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Cover Photo: Riot police protect the U.S. Department of Agriculture building in Sacramento, CA during 6 days of protest against biotechnology and the WTO in June, 2003. Photo: Langelle

Photos: Orin Langelle, Arthur Foelsche, S'ra DeSantis

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Protesters at the WTO mobilization in Seattle in November, 1999 carry a banner critiquing capitalism as a root cause of many of the world's inequalities. Photo: S'ra DeSantis

In Miami, the Summit of the Americas — the next meeting of trade ministers from 34 countries negotiating of the proposed Free Trade Area of the Americas (FTAA), a hemispheric version of NAFTA, excluding only Cuba — takes place November 20-21, 2003. The FTAA is supposed to be completed and signed by 2005. Activists in Latin America call the WTO and the FTAA the 'two-headed monster' of neoliberalism. Neoliberalism describes both the ideology and strategy behind free market policies and "globalization." It advocates total freedom of movement for capital, goods and services, sees everything as a tradable commodity, and argues that market forces must be left to rule, free from interference from government or communities.

Throughout the Americas and the world there is growing resistance to privatization, market reform programs, and free trade. In the South these programs are usually imposed on countries burdened with debt due to crippling loan conditions from financial institutions like the World Bank and the International Monetary Fund (IMF), and backed up by official bilateral development assistance from government agencies like the U.S. Agency for International Development (USAID). In Paraguay and Peru there have been major mobilizations against the privatization of electricity, telecommunications, and other utilities. Huge marches have taken place in El Salvador against President Flores' plans to privatize healthcare and social security in a country where telephone costs have

more than doubled and power rates increased five times since privatization. In Mexico the Electrical Workers Union (SME) has helped create a National Front of Resistance against President Fox's privatization plans for two national power companies.

Transnational corporations (TNCs) are nothing new. Chartered companies like the Dutch East India Company, and the Hudson's Bay Company (Canada) exploited colonies backed by their parent governments. The classic colonial state was structured for the exploitation and extraction of resources. In the 21st century, neoliberal globalization is forcing countries into becoming playgrounds for transnational corporations to wander and plunder at will.

Since former British prime minister Margaret Thatcher first coined the phrase, we have had the mantra "There Is No Alternative" (to the "free market") rammed down our throats. Alongside proclamations that capitalism had triumphed over communism, neoliberal globalization has been portrayed as evolutionary and inevitable. Indigenous and traditional economies which have operated on a communal non-monetary basis for millennia, are systematically undermined to make way for homogenized consumer culture and individualism. "Economic growth" is championed as an end in itself, to be pursued by all societies. The structures and rules that shape today's global economy have been carefully designed to benefit some and dispossess others. Neoliberal globalization is a delib-

erate process being pushed by powerful players for their own economic and geopolitical interests. Yet alternatives to this agenda have always existed. The peoples of Chiapas and Argentina have demonstrated examples of alternatives (see *Living Alternatives*, p. 22), as have certain progressive local and national laws. International treaties and conventions on the environment, and on economic, cultural and social rights show that a world without the WTO would not be a world without rules. Change can come from popular struggles.

The World Trade Organization is a manifestation of a much bigger problem – capitalist “development” based on domination, exploitation and control over the natural world and peoples’ lives. It is an intensification of a centuries-old process of colonialism.

We Have No Alternative...

... but to resist, and in our struggles, to build and support genuine alternatives based on self-determination, social and economic justice, and caring for the Earth.

In the global South, “free” trade and investment agreements are being used to lock in the socially and ecologically abhorrent structural adjustment model which has

been imposed on much of the world by the World Bank, the IMF and regional financial institutions like the Inter-American Development Bank (IDB). Structural

“We must find new lands from which we can easily obtain raw materials and at the same time exploit cheap slave labor that is available from the natives of the colonies. The colonies would also provide a dumping ground for the surplus goods produced in our factories.”

- Cecil Rhodes, English businessman, colonialist and “founder” of Rhodesia (Zimbabwe) who died in 1902 iv

adjustment programs (SAPs) include privatizing state-owned enterprises and services, slashing public spending, orienting economies towards export, liberalizing trade and investment, increasing interest rates and taxes, and slashing subsidies on basic consumer items like food, medicines and fuel. While this model has worked extremely well for transnational capital, it has been an abject failure for the majority of the world’s peoples. The free market model has led to increased inequalities between countries and within nations. Mark Weisbrot of the Center for Economic and Policy Research describes the IMF-World Bank record on economic growth (a mantra of the agencies) as “their most

spectacular failure.”ⁱⁱ Over the last 20 years, low- and middle-income countries have implemented the economic policies of the World Bank and IMF. Income per person in sub-Saharan Africa has declined about 20%, while in Latin America it has grown only around 7%. Both regions showed vastly superior growth in the previous two decades, before structural adjustment policies became the norm. By comparison, from 1960 to 1980, income per person grew 34% in Africa and 73% in Latin America.

These “free trade” agreements are also imposing Reaganomics-style policies on the industrialized countries of the North – including budget austerity, welfare, health, and education spending cuts, privatization, and deregulation and restructuring that is in line with big business whims and the free market gospel. The U.S. and other Northern governments view WTO agreements and other regional and bilateral free trade and investment deals as ways to force domestic market reforms in other countries, for the benefit of their corporations. They want structural adjustment, on a global scale, locked in forever.

Neoliberal globalization and the WTO promote protection of the interests of the powerful, and market discipline for everyone else. Already, under NAFTA’s investment chapter and bilateral investment treaties, corporations have sued governments for laws or policies which they say negatively affect their actual or potential business activities. Such agreements place serious constraints on the ability of governments to enact social, public health and environmental policies. Should Northern governments force negotiations on a WTO investment agreement to start after Cancún, this threat will spread across all 146 WTO countries. (See *The “New” Issues*, p. 16)

Alongside World Trade Organization negotiations, the U.S. recently concluded bilateral free trade agreements with Singapore and Chile. Several more are in the pipeline. There are also subregional agreements such as the Central American Free Trade Agreement (CAFTA), scheduled to be concluded at the end of 2003, and strongly opposed by peoples’ movements in Central America. CAFTA would



Protesters block the street at the a16 (April 16, 2000) demonstrations in Washington, DC against the World Bank’s annual meeting.

Photo: Langelles

include the United States and five Central American nations. The Andean Trade Preferences Act (ATPA) is billed as a contribution to the “war on drugs” and ending armed conflict by supposedly supporting economic alternatives to coca growing. It provides for duty-free or reduced rate treatment to imports of some goods into the U.S. from Bolivia, Colombia, Ecuador and Peru. A recent Witness For Peace/Global Exchange report states, “ATPA requires Colombia to accept U.S. agricultural products without protective tariffs. Colombian farmers cannot compete with subsidized U.S. agribusiness which ‘dumps’ products on their market. The resulting decrease in prices destroys the livelihood of small farmers. This blow followed a sharp decline in world coffee prices that had already decimated a key sector of Colombian agriculture.”ⁱⁱⁱ Many small farmers are being driven to grow coca in an attempt to eke out an existence

for their families. We must not lose sight of these bilateral and sub-regional agreements – they represent globalization by stealth – and are being used both to try to fast-track neoliberal globalization by those who feel the WTO negotiations are proceeding too slowly, and to set new precedents by getting even more extreme commitments to free trade and investment than current WTO agreements. There is a great deal of “forum-shopping” by governments and transnational corporations. If they do not get what they want in one arena, they try elsewhere.

While the World Bank, the IMF, the Inter-American Development Bank (IDB), NAFTA, the WTO, and bilateral and sub-regional trade and investment agreements are transforming Central and Latin America into playgrounds for transnational capital, infrastructure megaprojects like the Plan Puebla Panama (PPP) are designed to attract transnational corporations into “investing” in the region. Transnationals demand roads, railways, power and other forms of infrastructure before they “invest” even though these will be funded largely by ordinary taxpayers, already bearing the burden of life in countries mired in massive debt to international financial institutions. These same institutions like the IDB and World Bank are involved with promoting the PPP regardless of the fact that the social and ecological

costs will be borne by local communities. The same corporations driving free trade and investment regimes also stand to gain from these megaprojects. If colonialism and structural adjustment laid the foundations, projects like PPP and the US-backed Plan Colombia roll out the red carpet for global capital, while binding free trade and investment agreements provide the furniture, the lavish mansion and the locked rooms for global capital to enjoy exclusively, at the expense of the vast majority of the region’s peoples and the earth.

These agreements and financial institutions promote a package of neoliberal

“I would define globalization as the freedom for my group of companies to invest where it wants when it wants, to produce what it wants, to buy and sell where it wants, and support the fewest restrictions possible coming from labor laws and social conventions.”

- Percy Barnevik, former chairman of the ABB Industrial Group^v

policies which include: minimal controls on big business; unrestricted foreign investment; unlimited export of profits; privatization of state assets, utilities and services; full exposure of domestic markets to cheap imports; privately-funded and owned infrastructure operating through deregulated markets; market-driven service sectors, including social services like education and healthcare; competitive (i.e. low cost, deunionized) and flexible (temporary, part-time and contract-based) labor markets; and free movement for business immigrants (but strict controls for foreign workers and refugees).

Whose Trade Organization?

“We are writing the constitution of a single global economy,” said former WTO Director-General Renato Ruggiero in 1996.^{vii}

On January 1, 1995 the World Trade Organization was born out of the Uruguay Round of negotiations of the General Agreement on Tariffs and Trade (GATT). GATT, a trading agreement between signatory countries, was established in 1948 to set international rules regulating trade in goods among its members.

With a secretariat in Geneva, and a

permanent staff of about 500, the WTO now embodies the GATT and over 20 other multilateral agreements (which all WTO members must sign) and several plurilateral agreements (which only some WTO members have signed). The multilateral agreements under the WTO are said to be a “single undertaking”. This means that if a country signs one, it has to sign all of them. The WTO administers these agreements, facilitates future trade negotiations and enforces trade dispute resolution. A General Council of officials forms a dispute settlement and trade policy review body. There are other councils on different issues, which operate through numerous committees.

The core principles of the WTO are “national treatment” and “most favored nation” (MFN). National treatment means that foreign products (and services) should receive no less favorable (and possibly better)

treatment than domestic products (and service suppliers), making it impossible to protect local markets. Under MFN a signatory country must give all WTO members the best treatment it has granted to any one of them.

In the Uruguay Round, industrialized countries, spurred on by transnational corporations, aimed to make GATT the most powerful instrument controlling trade – although the areas into which it expanded had not been treated as “trade issues” before. The Reagan Administration blamed its economic problems on protectionism and unfair competition especially from the European Union, Japan, and newly-industrialized countries like South Korea and Taiwan. It insisted that a new round of GATT talks cover new areas of interest to U.S. corporations.

As a result, intellectual property rights (patents, copyrights, trademarks, etc), services, agriculture and aspects of investment came under GATT jurisdiction when they were designated “trade-related.” These areas were all previously subject to national decision-making. “Developed” countries, which were losing out to Brazil, South Korea and other South East Asian countries were determined to make up for that loss by capturing markets for their service industries and invest-

ments. Thus government policies based on national social and economic priorities were often redefined as barriers to trade – and targeted for dismantling through the process of negotiations.

The WTO insulates itself from its critics and the non-economic effects of the model of “development” which it promotes. Social and environmental issues only make it onto the WTO agenda if defined in “market friendly” terms. WTO agreements oblige governments to make serious legislative and regulatory reforms that impact a wide range of domestic policies.

To join the WTO means going through a painful process of structural adjustment and liberalization. Trade and investment liberalization are conditions of structural adjustment programs (SAPs), and many countries join the WTO under pressure to demonstrate their commitment to a market economy to their creditors. In order to join the WTO, countries are often forced to sign radical bilateral trade and investment agreements with WTO countries, like the one Vietnam signed with the U.S. in 2001.

A Secretive Trade Court

If trade disputes cannot be settled by mediation and consultation, the WTO dispute resolution system lets countries challenge each others’ laws as violations of WTO rules. Cases are decided in secret by a panel of three trade bureaucrats. They are usually former GATT or high-level trade officials. Every environmental or public health law challenged at the WTO Dispute Settlement Body has been ruled illegal. Hearings are secret, and documents and other evidence presented to disputes panels are confidential unless parties decide to release them. Only WTO member governments have legal standing; trade unions, Indigenous Peoples and NGOs have no rights to participate. Assuming that any further appeal to the WTO Appellate Body is unsuccessful, after a ruling, the losing country can either change the law to conform to WTO requirements, pay compensation to the winning country, or face non-negotiated trade sanctions. The affected country can apply trade retaliation against the non-complying country, in any area covered by the WTO Agreement. Only a unanimous vote of all member govern-

ments can overturn a ruling. The U.S. has been the world’s biggest user of the WTO dispute settlement system.

Democracy? What’s that?

The WTO is supposed to operate by consensus. But it is dominated by powerful governments (the “Quad”: U.S., European Union, Japan and Canada), which then try to impose their decisions on other WTO members. By contrast, access to negotiations for poorer countries, which are often under-resourced and excluded from key sessions, is limited.

Smaller and poorer countries cannot afford to maintain the representatives and trade lawyers necessary to make their voices heard on policy issues at the WTO headquarters in Geneva. WTO dispute-resolution processes, too, are slanted against such countries, which do not have the resources to defend themselves against complaints by rich countries. Often just the threat of a complaint forces them to settle a dispute in favor of transnational enterprises and against the interests of the majority of their citizens. Many countries simply do not have the resources to contest a costly WTO challenge.

Negotiating positions and the contents of individual government commitments at the WTO are closely guarded secrets. World Bank economist Bernard Hoekman and co-author Michel Kostecki write that WTO negotiations are meant to push governments further than they would otherwise go, and to counteract pressures to backtrack.^{viii} Getting governments to do this is much easier when they can make the initial commitments and sign agreements without the interference of domestic pressure groups representing the interests of people and the earth.

Seattle, Doha, Cancún

The WTO’s first two ministerial meetings were held in Singapore (December 1996), and Geneva (May 1998). Resistance to neoliberal globalization had been going on in many parts of the world for years, but for many people in the U.S., the “Battle of Seattle” in November, 1999 finally brought the institution and its agenda to their attention.

At the Seattle WTO Ministerial, most Third World nations were excluded from

the exclusive “Green Room” negotiations, where 20 countries tried to reach a deal to impose on the rest. While spirited mass mobilizations flooded the streets, many Third World governments dug their heels in against the launch of a “Millennium Round” of trade talks because of the manipulative and coercive process adopted, which sidelined and excluded their views and concerns arising out of the 1994 GATT Uruguay Round.

“In Seattle, they had green rooms. In Doha they had boiler rooms. The rich countries lined up the poor, and took them in one by one, twisting their arms and extracting concessions with the threats of reduced aid budgets or worse,” commented Yash Tandon, an African NGO observer.^{ix}

Internal divisions within the WTO were probably as marked as those in Seattle going into the Doha meeting, in November 2001, if not more so. Indian NGO EQUATIONS wrote that Doha was characterized by “high-handed unethical negotiating practices of the developed countries ... linking aid budgets and trade preferences to the trade positions of developing countries and targeting individual developing country negotiators.”^x The post-September 11 equation, ‘support in the war on terror = support for free trade,’ was a crucial factor in manipulating the outcome. While different countries and industries have interpreted the outcome in different ways, after Seattle, whatever emerged from Doha had to be sold to the world as a success for the WTO or else it would be condemned as an irrelevant forum, incapable of achieving anything. U.S. Trade Representative (and former Enron consultant) Robert Zoellick boasted, “We have overcome the stain of Seattle.”^{xi}

Cynically dubbed the “Development Agenda,” the Doha Declaration launched a new work program of negotiations on industrial tariffs, intellectual property rights, subsidies and countervailing duties, dispute settlement, as well as the ongoing negotiations on agriculture and services. These were to be negotiated as a package, to be concluded by January 1, 2005. Concerns about the serious problems being borne by the South in implementing existing agreements and demands for special and differential treatment for poorer countries were once again sidelined and their opposition to negotiating new issues like



Riot Police at the U.S. Administration's Sacramento Agricultural Ministerial in June, 2003 confiscate a "FOOD IS A RIGHT NOT A WEAPON" sign.

Photo: Langelle

investment treated with contempt.

At Doha, the U.S., E.U. and their allies tried to prepare the ground so that negotiations on new issues (investment, government procurement, competition policy and trade facilitation) could be started after the Cancún meeting. The Doha Declaration states: "we agree that negotiations will take place after the Fifth Session of the Ministerial Conference on the basis of a decision to be taken, by explicit consensus at that Session on modalities of negotiations."^{xii} WTO working groups on investment, government procurement and competition policy were charged with clarifying the scope, definitions and principles of issues and processes relating to these controversial areas. Although there was no "explicit consensus" at Doha to negotiate on these issues, there is a risk that WTO working groups may draft texts in time for Cancún, where the pressure will be on to crush resistance to their inclusion in the WTO. India and other Southern governments continue to remind WTO meetings that there is no "explicit consensus" to negotiate.

The key points of the Doha Declaration contradict the interests of Southern countries. A joint statement of NGOs and social movements launched in December 2001 roundly condemned the manipulative process of the Doha meeting. "By advancing the march of these new topics into the WTO system, Doha has brought nearer a development disaster of

great proportions, as the proposed new agreements would close off many development policies and possibilities and result in recolonization and unprecedented powers to global corporations at the expense of sovereignty and people's rights and needs."^{xiii}

With China's accession to the WTO in December 2001, some hope that it will be a counterweight to U.S. interests. Others are more skeptical and point to China's extensive market reforms and adoption of the neoliberal model. Similarly, some had hoped that the appointment of Thailand's former Deputy Prime Minister Supachai Panitchpakdi as WTO Director General would somehow signal a better deal for the Third World. But having a figurehead from the South is mere windowdressing for an institution beholden to an economic ideology which has only widened gaps between rich and poor.

The WTO is not one big happy family. There is renewed tension over U.S. unilateralism in its economic and foreign policy, a batch of simmering trade disputes, and for some countries a sense that they are being played off one another in a scenario reminiscent of colonial battles for spheres of influence between the E.U. and U.S. over their competing geopolitical and economic interests.

WTO mini-ministerials like the ones in Sydney, Australia (November 2002), Tokyo, Japan (February 2003), Sharm El

Sheikh, Egypt (June 2003), and Montreal, Canada (July 2003) have attracted special criticism for being particularly anti-democratic. Bringing together around 25-30 invited countries from North and South, they attempt to build 'consensus' on critical WTO negotiations by a select group which de facto and illegally takes leadership of the organization. The criteria of countries selected is unknown. No written record is kept of the discussions. Decisions are made that affect the entire membership and the agenda is set on their behalf and in their absence.

Outside of WTO meetings and negotiations, the governments which dominate the WTO use every opportunity they can to push their agendas. They do this through their embassies overseas, through pressuring diplomatic representatives of other countries at home, and in a variety of other "informal" ways.

Labor researcher and activist Gerard Greenfield writes:

"The WTO is often accused of secrecy and a lack of democracy. This easily leads to proposals for greater transparency and openness. Yet such an approach ignores the fact that *we need to have the ability to do something about what we see*, otherwise we'll just be spectators in a transparent process. It's not just the absence of democracy in the WTO and NAFTA that is the problem, but the outright hostility towards democracy. Aggressively cutting back our ability to impose democratic priorities on capital is not an afterthought - it lies at the very heart of the globalization project."^{xiv}

GATT-astrophe! Double Standards, Empty Promises and Risky Trade-Offs

The GATT initially dealt only in trade in goods. Many governments used tariffs, import controls or quotas on imported goods as a way to build and protect their local industry, economy and jobs. But under free trade agreements, the removal and reduction of tariffs have led to deindustrialization, the closure of countless domestic firms, job losses, and a loss in revenue for governments. We are told this is good for consumers. But many governments fear that if they agree to negotiate

another round of industrial tariff reductions without studying the effects of past and future tariff reductions, and without clear guarantees that they do not have to liberalise further beyond what the local industries can bear, this could lead to further deindustrialization, unemployment and poverty. Moreover many countries like the US, Japan and Europe still have con-

trols or quotas on imported goods such as textiles and clothing.

One carrot dangled in front of many countries in the South was the phaseout of the Multi Fiber Agreement (MFA) and its replacement by the WTO Agreement on Textiles and Clothing (ATC).

What has happened with the MFA helps to illustrate the frustrations of many governments in the South about the promises of growth and prosperity under trade liberalization that were made to them, and the reasons why many have consistently been asking for a review of existing agreements before any further expansion of the WTO. Since 1974, the MFA

Behind Every Trade and Investment Agreement, a Corporate Capitalist

The role of corporations in influencing trade rules to serve their interests is no secret. Transnational corporations account for two-thirds of world trade in goods and services. Free trade is a euphemism for freedom from governmental restrictions for transnational corporations. Of the world's top 100 economies, based on a comparison of annual corporate sales and nations' GDPs, 51 were companies, 49 were countries. According to the Institute for Policy Studies report, *The Top 200: The Rise of Global Corporate Power*, by 1999, General Electric was bigger than Venezuela, Citigroup exceeded Chile, and Boeing topped Peru.^{xix}

Between 1983 and 1999 the profits of the Top 200 corporations grew by 362.4 % while the number of workers they employed rose only 14.4%. By 1999 the top 200 companies accounted for over a quarter of the world's total economic activity but provided jobs for only 0.75% of the world's workforce. Their combined sales were 18 times the size of the combined annual income of 1.2 billion people – 24% of the world's population, living in what the World Bank defines as “severe” poverty – on less than U.S. \$1 a day.^{xx}

Transnational corporations have used their formidable lobbying power to shape national economic policies and international trade and investment agreements. They have privileged access to high-level decision makers on trade and investment issues, while the public has little or no input. According to David Hartridge, former Director of the WTO's Services Division, “without the enormous pressure generated by the American financial services sector, particularly companies like American Express and Citicorp, there would have been no

services agreement.”^{xxi} The 67-member U.S. Coalition of Service Industries (USCSI), which includes Enron, General Electric, Pricewaterhouse Coopers, Vivendi and American International Inc., has lobbied U.S. and other government representatives aggressively. Their goal is to decrease barriers to trade in services by opening up foreign markets via international trade negotiations. To these corporations, essential services like water, healthcare and education are mere commodities to be bought and sold in the marketplace. The USCSI 1998 submission to the U.S. Trade Representative stated: “We believe we can make much progress in the negotiations to allow the opportunity for U.S. businesses to expand into foreign healthcare markets.”^{xxii}

The International Chamber of Commerce (ICC) calls itself the world business organization for promoting the global market economy, and has some 7,000 member companies from 130 countries. It influences the WTO process directly through intergovernmental organizations, and the member governments of those organizations through its national committees. It has permanent representation at the WTO, claiming credit for decisions at the Singapore Ministerial to remove tariffs on information technology products and set up new working groups there on investment and competition.

The Intellectual Property Committee (a coalition of 13 large U.S. corporations, including DuPont, Pfizer, IBM, General Motors, Rockwell, Bristol-Myers and Merck) worked with U.S. Trade Representatives on a proposal to standardize world intellectual property laws along U.S. lines, and make them binding and enforceable under the WTO.

Ninety-six of the 111 members of the U.S. delegation negotiating on intellectual property during the Uruguay Round came from the private sector. Diplomats in

Geneva say that the pharmaceutical industry drafted much of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), while the U.S. government was its lead advocate. At the start of the Uruguay Round, the U.S. negotiator appointed to head the delegation on what was to become the WTO Agreement on Agriculture was Dan Amstutz, former vice-president of agribusiness giant Cargill, who now heads the USAID-driven “reconstruction” of Iraq's agriculture.

In the US, corporations work very closely with U.S. trade negotiators through 17 Industry Sector Advisory Committees (ISACs).^{xxiii} The U.S. International Trade Administration website claims that officials “work side-by-side with business leaders who serve as advisors to the U.S. Government. The Department of Commerce and USTR [U.S. Trade Representative] have joint responsibility for operating the advisory committees of the ICP [Industry Consultations Program]”. The ISACs are dominated by corporate executives and members of industry lobby groups.

Corporations need governments to maintain national economies in which they are subject to minimal regulation, and to advocate trade liberalization internationally. Other key U.S. corporate lobby groups include the U.S. Council on International Business, the American Chamber of Commerce, the National Foreign Trade Council and the Business Roundtable (BRT).

A new coordinated multimillion dollar public relations campaign led by the BRT and its counterparts in Mexico, Canada, Europe and Japan aims to build popular support for the WTO and pressure governments to conclude a new round of trade talks.^{xxiv}

had set the rules for international trade in textiles and garments made from cotton, wool and synthetic fiber. It set quotas limiting the amounts of imports of textiles and clothing from “developing” to “developed” countries, controlling the level of market access for developing country imports.

The MFA’s quota restrictions helped facilitate the domination of the global garment trade by transnational corporations. They did this by securing quotas, through their subsidiaries, allotted to “developed” countries. Many small and medium garment firms either became part of the transnational corporations’ subcontracting chains or closed.

The phase-out of the MFA and its quota system, which is supposed to bring textiles and garments trade under the WTO, was sold to exporting countries in the South as a great sacrifice by the industrialized countries. Along with promises about improved market access for agricultural products, it was used as a lever to force developing countries to make commitments to other WTO agreements on trade-related investment measures, intellectual property and services, and to agree to lower tariffs. This kind of horse-trading characterizes trade negotiations.

The MFA phase-out has led to uncertainty for the future of the garments and textile industry in many countries. The ten-year phase-out period which ends at the start of 2005 has been characterized by tardy implementation by the E.U. and the U.S., and new forms of barriers to stop imports from the South, including more restrictive rules of origin, and anti-dumping measures. Meanwhile countries in the South have committed to open up their own markets for textiles and clothing. Indian trade expert Bhagirath Lal Das calls the Agreement on Textiles and Clothing (the alternative to the MFA) and its implementation a fraud perpetrated against the South.^{xv} With the downward pressure on wages and conditions, the withdrawal of supports for local industry, trade and investment liberalization and the imposition of an export-oriented market economic model through SAPs, workers in the North and South alike have seen their jobs disappear in the inhuman rush to make more profit.



A textile worker in Nicaragua walks through thick blue water in a ditch heavily contaminated by dyes from a denim jeans factory.
Photo: Langelles

You Can Bank On It! Policy Coherence, the WTO, IMF, World Bank and Inter-American Development Bank

Besides their shared commitment to neoliberalism, the WTO, IMF and World Bank have formal relationships to achieve “policy coherence.” The Ministerial Declaration on the Contribution of the [World] Trade Organization to Achieving Greater Coherence in Global Economic Policymaking, in the Uruguay Round Act 1994, Part III.2 urged the IMF, the World Bank and the WTO to follow “consistent and mutually supportive policies...with a view to achieving greater coherence in global economic policymaking.”^{xvi} This is expressed in various agreements, ministerial declarations and decisions between the institutions.

In May 2003, senior officials of the three institutions, including IMF Managing Director Horst Koehler, WTO Director General Supachai Panitchpakdi and World Bank President James Wolfensohn met in Geneva under the umbrella of the WTO General Council to develop a common approach to global economic policies – the “coherence agenda.” The IMF and World Bank will offer “technical assistance” and financial support for adjusting debtor countries’ economies to full trade liberalization. “Technical assistance” sounds benign enough, but in reality it will be used to force countries of the South to swallow the same neoliberal med-

icine, which many of them have been disputing within the WTO.^{xvii}

The Inter-American Development Bank also has a close formal relationship with the WTO. In February 2002 they signed a memorandum of understanding to deepen cooperation on providing technical assistance like training courses and workshops on trade negotiations and capacity building to Latin American and Caribbean countries “to participate fully in the multilateral trading system.” The IDB’s central policy goal is economic integration of Latin American countries with the global market. Since 1994 the IDB has contributed over \$10 million to support the FTAA process. It is also the multilateral sponsor of the controversial Plan Puebla Panama, which to the IDB represents the infrastructural and regulatory prelude to the U.S. goal of concluding the FTAA and CAFTA by 2005.^{xviii}

Why Cancún?

Major mobilizations against the institutions which enforce and promote neoliberal globalization, like those in Seattle (WTO), Quebec City (Summit of the Americas/ FTAA), Genoa (G8) and others have led to many major meeting venues being chosen for their inaccessibility and relative ease to secure. The security crackdowns and repression which have met resistance on the streets do little to enhance the image, credibility or legitimacy of these institutions. That partly explains the choice to hide away in the ski resort of Kananaskis,

Canada, for last year's G8 meeting, or the choice of Doha, Qatar (now fittingly the base for the U.S. Central Command in the Middle East) for the November 2001 WTO Ministerial Meeting and now Cancún for the September 2003 WTO Ministerial. With the added excuse of the "war on terror," ministers can cocoon themselves away in luxury, even in a country where over half the population lives in dire poverty.

"The Cancún Convention Center, where the meetings will take place, is a rather small, three-story building in the middle of a 15-mile-long strip of island in the Caribbean. There are only two small bridges from the mainland. The airport is on the mainland and accessed by a single three-mile, two-lane highway thickly forested on either side. Besides its isolation, it goes without saying that the region will be highly militarised," write El Pico and Magpie in a recent *Earth First! Journal*.^{xxv}

OUR WORLD ON THE CHOPPING BLOCK AT THE WTO?

Understanding the Agreements

Agreement on Agriculture

Until the Uruguay Round, agriculture did not fall under the General Agreements on Tariffs and Trade. The U.S. even threatened to leave GATT if it could not maintain protective mechanisms for sugar, dairy products, and other agricultural commodities. Washington was given a "non-time limited waiver" on agricultural products. But by the 1980s, when U.S. big business had outgrown its markets, had a crisis of overproduction and controlled large chunks of international agriculture, (and other sectors) it began to lobby aggressively for the expansion of GATT to cover these areas. Countries had used tariffs and non-tariff measures like quantitative import restrictions, discretionary import

licensing, and non-tariff measures maintained through state trading enterprises, like producer boards, to control the import of agricultural products and help develop and protect their farming sectors.

The Agreement on Agriculture (AOA) was heralded as a means to provide greater access to world markets in agricultural products for all countries by reducing tariffs and other trade barriers as well as farming subsidies. It aims to "establish a market-oriented agricultural trading system...reductions in agricultural support and protection...resulting in correcting and preventing restrictions and distortions in world agricultural markets."^{xxvi} It includes sections on market access, reduction in trade-distorting domestic support for agriculture, and reduction in export subsidies. It also has an agreement about harmonizing sanitary and phytosanitary measures which cover food hygiene and inspection measures. Starting in 1995, countries were supposed to implement the

(AOA) excludes direct-income payments to farmers, which make up between one-fifth to one-third of U.S. farm income, and many E.U. subsidies. In one of the most glaring examples of hypocrisy in world trade, U.S. and E.U. agricultural markets remain protected – a situation which benefits large industrial farmers and agribusiness but not U.S. and European family farmers who are often pitted against industrial agriculture and corporate agribusiness. Southern governments, meanwhile, are prohibited from introducing new programs such as subsidies to protect their local agricultural producers, even as their livelihoods are undermined by the dumping of cheap subsidized imports with which they cannot compete. The Farm Security Act of 2001, passed just weeks before Doha, provided for over \$170 billion to U.S. farmers – mainly corporate farmers and agribusiness - over the following ten years. The U.S. Farm Security and Rural Investment Act (May 2002), brings in an additional US\$180 billion to U.S. farmers in the next ten years.

A 1995 World Bank working paper showed that many Organization for Economic Cooperation and Development (OECD) countries had used "dirty tariffication" - setting much higher tariff levels for most agricultural commodities than the average levels of protection that applied when the GATT Uruguay Round was ratified in 1994. These often represented higher levels of protection than had actually been applied in the country previously. Canada

raised its base tariffs on dairy products to over twice its actual 1986-88 levels. Besides tariffs, other ways of blocking access to markets for agricultural exports were being employed.^{xxvii} In Doha, promises by the European Union and U.S. to reduce subsidies and increase market access for agricultural products



Community members from the village of Nuevo San Gregorio in the Montes Azules Integral Biosphere Reserve in Chiapas, Mexico gather in March, 2003 to speak to an emergency delegation called by Global Exchange to investigate claims by the Mexican government and NGO Conservation International that the indigenous communities were destroying the rainforest. This accusation was being used as an excuse to evict the communities. The delegation found the rainforest destruction being most pronounced around the military encampments, while the indigenous villagers, having outlawed slash and burn techniques, were practicing sustainable organic agriculture.

Photo: Langelle

commitments they made under these sections over a six year period for "developed" countries (1995-2000) or ten years for "developing" countries (1995-2004).

Although it stipulates the withdrawal of domestic production support and export subsidies, the Agreement on Agriculture

from the South were traded off for commitments to further liberalize agriculture, services, and TRIPS from Southern countries.

A March 31st 2003 deadline for agreeing to ‘modalities’ – a framework, targets, and issues related to rules for further negotiations - was not met, with the E.U. and U.S. in gridlock over E.U. farm subsidies under its Common Agricultural Policy. Many countries in the South remain wary of the U.S. and its extreme demands on agricultural liberalization (for everyone but itself). In June 2003, the E.U. announced a major reform of its agricultural policy, but many remain unconvinced that this will lead to real change. However, the E.U. will use this to press for bigger commitments from other countries to open markets to European exports, service providers and investors.

Mexican *campesinos*’ experience of NAFTA after almost ten years leaves them with no illusions as to the WTO’s promises about free trade in agriculture. Since NAFTA, floods of cheap, subsidized U.S. corn have entered the market, sold at prices below the cost of production, with which *campesinos* cannot compete. This has led to massive displacement, poverty and hunger, pushing people into the cities and *maquiladoras* (sweatshop factories), and forcing many to risk their lives crossing the increasingly militarized border into the USA in search of work. Moreover, an estimated 30-40% of this corn is genetically modified (GM), and there has already been serious contamination of indigenous corn varieties from GM corn imports in Oaxaca.^{xxviii}

NAFTA has also led to strong resistance throughout Mexico. The privatization of the ejido (communal lands on which an estimated 25 million *campesinos* and Indigenous Peoples depend), 500 years of colonial oppression, and NAFTA were catalysts for the Zapatista uprising on January 1, 1994, the day NAFTA took effect.

In late 2002, a number of campesino organizations came together under the name *El Campo No Aguanta Mas* (“the country

“A profound reform of the WTO in order to make it respond to the rights and needs of people would mean the abolition of the WTO itself! We do not believe that the WTO will allow such a profound reform.”^{xxxix}

--Via Campesina

side can’t take any more”). The January 1, 2003 removal of tariffs on all Mexican agricultural products, except powdered milk, corn and beans sparked mobilizations of *campesinos* around the country. *Campesino* organizations symbolically closed parts of the Mexico-U.S. border that day. On January 31st 100,000 *campesinos* marched silently in protest through Mexico City. They demanded a renegotiation of NAFTA’s agricultural chapter and a new agricultural policy based on food sovereignty for all.^{xxxix}

These “free” trade stories are repeated throughout the world. In June 2000, a group of 11 developing countries told a WTO Special session of the Committee on Agriculture that the trade liberalization triggered by the Uruguay Round had broken the agricultural backbone of many countries, undermining food security, peoples’ health and sovereignty.^{xxx}

Via Campesina, a global peasant and small farmers’ movement, has mobilized against the corporate takeover of agriculture, biotechnology and the AOA, and for

food sovereignty. Each country, it argues, should have the right to define its own agricultural policies in order to meet its domestic needs. This should include the right to prohibit imports to protect domestic production and genuine agrarian reform to provide peasants and small/medium-sized producers with access to land.

Via Campesina calls for the WTO to get out of agriculture – the removal of all negotiation in the areas of food production and marketing from the WTO and from all regional and bilateral agreements.

TRIPS, Health, Biocolonialism and the Privatization of Life

The TRIPS (Agreement on Trade-Related Aspects of Intellectual Property Rights) has nothing to do with “free trade.” It is a protectionist tool which requires all WTO members to guarantee general protection of patents for a minimum of twenty years. It was sold as an anti-counterfeiting proposal as companies wanted to stop fake brandname clothing, music and videos, but it prohibits measures commonly used to facilitate technology transfer such as compulsory licensing (when a government gives a manufacturer a license to produce something for which another company holds a patent or exclusive rights in return for the payment of a royalty, in order to introduce generic competition and to drive prices down).

TRIPS strengthens the hand of private companies to claim monopoly rights and gain huge benefits from biopiracy. Private sector researchers, agribusiness and pharmaceutical corporations are appropriating the heritage of indigenous communities for private profit, while those who developed and nurtured them for generations receive no benefits. TRIPS is a means to make all WTO member countries comply with a standard set of laws which legally protect the technological monopoly of transnational corporations (mostly from industrialized countries) which own most patents. TRIPS goes hand in hand with WTO commitments to liberalize agricultural trade, further expanding agribusiness control over food systems and biodiversity.



A young boy sits in front of a bunker in the Zapatista community La Realidad, Chiapas, Mexico in March, 1996

Photo: Langelles

U.S. case law has set an international precedent for patenting genetic material. In 1980 the U.S. Supreme Court allowed the patenting of microorganisms. In 1985 life patenting was extended to include plants. In 1987 the U.S. Patent Office ruled that all animals, including human embryos and fetuses were patentable. TRIPS and intellectual property provisions of other regional and bilateral agreements are being used to extend and implement US-style patent law worldwide. According to the US, countries that fail to adopt such laws are engaging in “unfair trading practice” using “non-tariff trade barriers” and may be subject to trade sanctions. Early TRIPS targets were Japan and newly industrializing countries in East Asia that had copied U.S. technology (e.g. the car and computer industries). But the ongoing plunder of the South’s biodiversity by U.S. (and other) companies eager for profit, without any compensation or benefits to the communities from which the “raw material” is expropriated is somehow not considered “unfair.”

Before the Uruguay Round, most nations chose not to recognize patents on food, pharmaceuticals or other products considered as basic human needs. Many governments’ policies in these areas were shaped by specific ethical and socio-economic considerations. As a result of TRIPS, WTO members must adopt “effec-



Mayangna man in the North Atlantic Autonomous Region of Nicaragua speaks to an ACERCA delegation about the medicinal properties of the bark of this tree. ACERCA was in the region investigating rampant illegal logging in the Bosawas rainforest.

Photo: Langelle

tive” intellectual property protection for plants and microorganisms. While governments can technically decide whether to allow patents on animals, the outcome of a WTO review of TRIPS could change that. TRIPS has transformed the very essence of life into a mere commodity.

Current intellectual property systems favor and reward individual “inventors” for products, processes or innovations relating to genetic material derived from plants,

animals or organisms – but not communal knowledge such as that shared and handed down in indigenous communities. When genetic material is processed in corporate labs it is named, called an “invention” and is patentable, conferring on its “owner” exclusive marketing rights. Broad patents are being taken out on plant varieties, covering ownership of “traits” and “characteristics.” Seed companies stand to reap monopoly profits from the innovations of small farmers and indigenous peoples, who

Learning from The MAI

One of the most-celebrated victories of anti-neoliberal globalization movements was the failure of the Multilateral Agreement on Investment (MAI). This charter of rights and freedoms for transnational corporations was negotiated in secret among the 29-member “rich man’s club” of the OECD. Opposition within the WTO from governments in the South to any proposed negotiations on investment had driven it into the OECD, where once concluded, it was intended for eventual imposition on the rest of the world. Its stated purpose had been to “ensure a high minimum standard of treatment for foreign investors and their investments” and prevent discrimination in favour of local investors and investments, affording foreign investors enforceable rights and a legally-binding dispute settlement system which would bind signatory governments.

The draft text of the MAI gives us some clear insights into the likely shape of a WTO investment agreement. At its heart were the principles of “national treatment” and “most-favored nation” (MFN). Signatory governments were bound to treat foreign investors and their investments no less favourably than local investors and investments. Foreign investors would have the same or better rights to establish, acquire, expand, operate, manage, maintain, use, enjoy, sell or otherwise dispose of their investments as domestic investors in similar situations. The best treatment given to investors from one country had to be given to investors from all MAI signatory countries.

The MAI would have effectively locked present and future governments – at national, provincial, state and municipal

levels – into commitments made for 20 years. As a “top-down” agreement almost all sectors were to have been covered unless expressly reserved. Governments had to lodge a list of reservations setting out areas where policies did not conform to MAI requirements. These were subject to “standstill and rollback” provisions: future governments could add no new restrictions, and current reservations were expected to be eliminated over time.

The MAI would have prevented governments from limiting what foreign investors could own (whether strategic assets or rural land) or from imposing performance requirements on them to use a set amount of local content, to hire local managers or staff, or to share technological know-how. It would have facilitated easier access for investors to be able to

themselves will be banned from using and saving their own now patented seeds, and forced to buy them from the patent-holding companies like Monsanto.

Transnational corporations are seizing the knowledge of local communities, especially in the tropics and subtropics of the Americas, Asia and Africa, which have developed, protected and nurtured the ecology and biodiversity on their lands for many centuries, and are the source of many of the world's food crops and medicines. Around 75% of all plant-derived drugs were discovered because of prior use in indigenous medicine.

At the same time, when governments have sought to respond to health crises, especially HIV/AIDS, by legislating to allow the use and import of affordable generic drugs, they have been targeted both by litigation initiated by profiteering pharmaceutical transnational corporations, and through the WTO Disputes system. The powerful U.S. drug transnational cartel, the Pharmaceutical Research and Manufacturers of America (PhRMA) lobbied to ensure that the U.S. administration carry out its agenda. This led to threats of trade sanctions against several countries, like India, South Africa, Brazil, Argentina and the Dominican Republic over compulsory licensing or parallel importation laws, as

well as a notorious court case against the South African government. In June 2001 a E.U. and U.S. WTO complaint against Brazil's violation of drug patents in its effective and internationally-praised anti-AIDS program was withdrawn after worldwide pressure.

A Doha Ministerial declaration on TRIPS and public health^{xxxii} said that TRIPS should be interpreted in a way that enables governments to protect public health and 'promote' access to medicines for all. This declaration was used as a bargaining chip to get governments of Southern countries previously resistant to a new expanded round of world trade talks, to acquiesce to them, but is, however, non-binding, and of uncertain legal value.

Owning a lifeform patent is much more far-reaching than owning an individual sheep or tree. U.S. researchers Hope Shand and Dr Martin Teitel write that the distinction "can be likened to the difference between owning a lake and owning the chemical formula for water. A patent holder for water's chemical formula would have the legal right not only to decide who could have access to a particular lake, but to water anywhere, and to the use of the chemical formula for any purpose."^{xxxiii}

Indigenous Peoples are at the forefront of challenging biocolonialism. The

President of the Guaymi General Congress (Panama) said:

"I never imagined people would patent plants and animals. It's fundamentally immoral, contrary to the Guaymi view of nature, and our place in it."^{xxxiv}

Similarly, local communities from Southern Mexico through Central America are resisting the MesoAmerican Biological Corridor project, billed as an ecological protection plan, running alongside the Plan Puebla Panama and backed by the World Bank, as a "green" front to open up the region's rich biodiversity to transnational corporations seeking profits and monopoly control. Indigenous Peoples living within the corridor's boundaries face dislocation and the likelihood that transnational corporations will steal the microorganisms and plants from the forest.

The WTO's TRIPS, the proposed intellectual property chapter of the FTAA, and similar provisions in bilateral and regional trade agreements (which often contain "TRIPS-plus" provisions, going even further than TRIPS) are all tools to expand, intensify and cement a regime of monopoly control and commodification over life itself. And because intellectual property rights are often included in the definition of "investment" in bilateral investment agreements, any failure to com-

move assets – financial instruments or production facilities – across borders, regardless of social and environmental considerations. It would have guaranteed free transfer of all payments relating to an investment in and out of a country.

The capacity of governments to create employment would have been severely eroded by the MAI. It aimed to prevent the application of national employment quotas or labor market (economic needs) tests. In the event of a privatization, the MAI could have prevented governments from utilizing special share arrangements to encourage local workers and communities to buy the company or to distribute shares to the public.

The MAI lacked any regulatory framework or language about the responsibilities of investors regarding fair competition, treatment of employees, and

environmental protection. Yet it granted them extensive rights, including the right to sue governments under a binding investor-state dispute mechanism for investors who claimed they had been disadvantaged by a government action in actual or planned investments.

Many bilateral investment agreements and NAFTA (on which key MAI provisions were based) have already been used by powerful corporations to overturn laws which they claim interfere with their profitability. In 1997 the Canadian federal government banned imports of a fuel additive called MMT because it was toxic and hazardous to public health and car emission systems. U.S. chemical corporation Ethyl Corporation, which made MMT, used NAFTA's investment provisions to sue Canada for \$250 million, claiming that the ban "expropriated" its future profit earnings in Canada. It also said that the parlia-

mentary debate over MMT had damaged its reputation and demanded compensation. Ottawa backed down, removed the ban, apologized and paid Ethyl Corp \$13 million. NAFTA involves only three countries. Imagine what such an agreement would do across the 146 member countries of the WTO.

Under pressure at home, many governments tabled so many MAI reservations exempting sensitive sectors like cultural industries from coverage that the talks became bogged down. In the U.S. and Canada, many state and municipal governments acted in outrage against federal decisions to constrain their policy options and bind them to an agreement which they had no part in negotiating. Some voted to reject the deal altogether. The MAI failed through a combination of external pressure from popular mobilizations, and internal tensions among OECD governments.

ply with, for example, transnational corporate demands for patent protection on genetic material in a signatory country could lead to a NAFTA-style investor-state dispute. A WTO investment agreement which contains a similar definition of “investment” would have this effect too.

Attempts by countries in the South to develop their own technologies are frustrated while they pay massive royalties to transnationals, often for products derived from ideas and biodiversity originating in the South. The knowledge created and shared by indigenous and traditional communities, and nature itself is being commodified and privatized at a frightening pace.

Hungry For Profit – WTO Complaint to Force the World to Eat GE Food

Through its “food aid” policies and using the WTO, regional and bilateral trade agreements, the U.S. Administration, backed by its biotech/agribusiness corporations want to force genetically-modified seed, grain and foodstuffs into all the world’s markets, fields and stomachs through deliberate genetic contamination, and by targeting countries which have taken principled stands against GE.

A U.S. complaint to the WTO challenges the E.U.’s de facto moratorium on approvals for GE imports and crops, in place since 1998. As well as citing the GATT and the Agreement on Agriculture, the U.S. claims that the moratorium breaches the Agreement on Sanitary and Phytosanitary Measures (SPS). U.S. Trade Representative Robert Zoellick blames the E.U. for the refusal of U.S. food aid by African countries, and claims that in promoting GE food, the U.S. wants to help feed the world. The U.S. is using other people’s misery as a marketing tool for U.S. agribusiness.^{xxxv}

Agriculture Secretary Ann Veneman (a former director of biotechnology company Calgene) was more upfront. “With this case, we are fighting for the interests

of American agriculture.”^{xxxvi} Of course, she means U.S. corporate agribusiness.

The SPS agreement recognizes that countries can regulate crops and food products to protect health and the environment. But it requires that there be “sufficient scientific evidence” for such measures, and that they operate their approval procedures without “undue delay” (shifting the burden of proof off of the producer and onto the consumer). The U.S. government argues that the E.U. action is unjustified regulation to thwart trade in “safe, wholesome, and nutritious products” – i.e. untested GE food. Some food exporting countries in the South accuse the North of using SPS as a new way to block their products even as they

deregulation and trade facilitation, not raising health and safety standards. Along with the WTO Technical Barriers to Trade (TBT) agreement (which covers technical regulations, product standards, testing and certification procedures), the SPS allows for attacks on national measures which address consumer concerns (like labelling products containing GMOs). Pressure for downward harmonization is built into it.

The “precautionary principle” has been adopted by many governments to authorize trade restrictions where there is strong suspicion of environmental/health risks, but as yet no scientific verification, as in the E.U. moratorium case. This principle is under sustained attack from both the U.S. and WTO dispute panels. The

U.S. and other governments which have joined this complaint have a warning for the world: Don’t even think about imposing restrictions on GE foods or we will come after you, big time. So much for people having the right to know and decide what we eat.

Neoliberal globalization is intent on harmonizing food and product standards so that industry can replace diverse national standards with universal ones which they have shaped. High standards are likely to be replaced by the lowest common denominator. The

Codex Alimentarius, used as a standard for the WTO, and heavily influenced by U.S. agribusiness, allows 50 times more DDT to be used on or left in residual amounts on peaches and bananas, and 33 times more DDT to be applied on broccoli than U.S. Environmental Protection Agency (EPA) standards.

Anything You Can’t Drop on Your Foot – GATS and Services

Since 2000, negotiations have been underway to extend GATS (General



Demonstrators at the USDA’s Sacramento Agricultural Ministerial in June, 2003 protest U.S. attempts to use the WTO and other trade agreements to force countries all over the world to accept genetically engineered food. The European Union currently has a de facto ban on GE foods. This ban is being contested by the U.S.
Photo: Langelle

claim to be improving market access in agriculture.

Under the Agreement on Sanitary and Phytosanitary Measures, the WTO could compel a nation to choose between lowering its health standards for humans, animals or plants, compensating another government whose exports are limited or blocked by the stricter standard, or permitting that government to impose additional trade restrictions on exports from the nation with the higher standard. SPS is a business-oriented agreement aimed at

Agreement on Trade in Services), which is more about promoting the rights of foreign investors than a 'trade' agreement. The WTO website calls GATS "the world's first multilateral agreement on investment since it covers not just cross border trade but every possible means of supplying a service, including the right to set up a commercial presence in the export market." (www.wto.org) Services have been described as anything that you cannot drop on your foot, including banks, schools, energy, healthcare, water, garbage collection, libraries, postal services, railways, airlines, TV, radio and tourism. GATS means deregulation of services at the local, state and national levels and subjecting them to WTO rules for the benefit of transnational corporations. Transnationals want unrestricted rights to invest and set up a commercial presence in a country and for governments to make enforceable commitments to open their service markets up to private foreign providers.



Oscar Olivera, a leader of Cochabamba, Bolivia's successful fight against water privatization leads the "Eco-bloc" at the World Bank protests in Washington, DC in September, 2002. Photo: Langelle

Under GATS, governments agree to give foreign service suppliers at least as favorable treatment as local suppliers. Governments can neither set limits on the numbers of service suppliers operating in its market nor impose requirements for local content.

International trade in services is big business. Services are a lucrative market which the world's transnational corporations want to control. They want services to be treated purely as commodities to be bought and sold in a competitive market. Besides seeking to extend the range of services each government has committed, pressure is on to impose 'disciplines' on the domestic regulation of services, and to bring services that are publicly owned and/or 'procured' by government agencies under GATS rules.

GATS threatens to restrict the ability of governments to ensure public access to affordable, adequate basic services by removing any restrictions and internal government regulations in the area of service delivery that are considered to be "barriers

to trade." These include measures which pursue environmental, social or community objectives. GATS restricts core areas of government planning. All WTO members are required to make enforceable commitments to open their services markets. GATS binds all levels of governments but state and municipal officials have no say in the negotiations. It prohibits municipal, state, provincial and federal government,

and bodies which perform delegated responsibilities, from using policies, regulations and practices that give preferences to local firms and restrict foreign control of services, once the government has committed those sectors to GATS rules. This includes economic development roles of supporting local communities like local hiring or purchasing preferences.

Replying to critics, apologists for GATS insist that public services are exempted – but the clause that they refer to is so narrow that it excludes any service which has a commercial element or is offered in competition with a private supplier.

The rights of foreign suppliers against a government deemed to have broken GATS rules are enforceable and make backtracking on commitments almost unthinkable. In 1999 Bolivia privatized Cochabamba's city water system under World Bank instructions. It was sold to a subsidiary of Bechtel which sharply increased water prices - in some cases by over 100%. Poor households were spending one third of their income on water. The crippling price rise sparked mass

protests and a general strike. After troops killed several demonstrators, the government finally backed down and reversed the privatization. Bechtel was recently awarded a \$680 million USAID contract to "rehabilitate" Iraq's shattered water, sewage and power systems.

Had Bolivia made GATS commitments under water delivery, regaining ownership would have been almost impossible. Even now it is being sued for \$25 million for lost profits by Bechtel in the World Bank's closed-door International Center for the Settlement of Investment Disputes (ICSID) under a little-known 1992 bilateral investment treaty. The E.U. is particularly interested in pressuring other countries to liberalize "environmental services" – such things as water and wastewater services, for the benefit of a handful of powerful European corporations which already "own" and control the water supplies for many millions of people across the world.

GATS threatens to lock in and advance the commercialization and privatization of public education and health systems. These and other sectors could be irreversibly opened to commercial competition from other WTO members. Public funding would have to be given equally to domestic public and foreign private providers. If regulations are considered "barriers to trade" then governments' ability to deliver on domestic public, social, and cultural policy objectives would be severely curtailed by GATS. Transnational "health management organizations" (HMOs) and "educational management organizations" (EMOs) will gain a greater foothold, as health and education – fundamental human rights – are transformed into mere commodities under GATS.

The E.U. and U.S. want other countries to reduce their barriers to its transnational service giants in what reads like a privatizers' wish-list. Under GATS, the E.U. is demanding that the U.S. deregulate and open up its water, sewage and wholesale and retail energy sectors, among other

ers. But the slow pace of making commitments to GATS over the past year shows the reluctance of many countries – especially in the South — to go down this track while their concerns about existing commitments in other areas, such as agriculture, TRIPS and “new issues” like investment remain unheeded by the North.

Opposition to services privatization and liberalization – whether through GATS, structural adjustment programs or bilateral and regional agreements is mounting. Many municipal councils, from Canada to New Zealand, have challenged national governments’ rights to commit to GATS – concerned that their role in making economic, social and environmental policy at a community level will be severely undermined. Some state and provincial level governments have also expressed similar concerns. Health and education unions have strongly condemned the way that the WTO defines vital services as

mere commodities, devoid of their social roles, and many have demanded health and education be removed from the GATS list of services. And as urban and rural communities in both the North and South battle the commodification and monopoly ownership of one of life’s fundamental necessities – water - there are calls for water, as a basic human right, to be excluded from GATS coverage. (In 2002, French utility group Suez acquired the contract for Cancún’s water and wastewater services.)

Who Pays for “Free” Finance Under Casino Capitalism?

In the 1990s, financial crises in Mexico, Brazil, East Asia and Russia threw global financial markets into chaos and fuelled demands to rein in speculative investors by reimposing some form of capital controls.

Financial liberalization – often carried out under the direction of the IMF - has led

to phasing out regulatory mechanisms over the movements of huge sums involved in currency speculations, new financial products, offshore finance centers, hedge funds and hot money (short-term investment) flows to emerging markets. The volatility in financial markets and overdependence on foreign capital – especially short-term non-productive investment - threatens the orderly running of national economies.

Concluded in December 1997, the WTO’s Financial Services Agreement (FSA) has been signed by over 100 countries. It is a plurilateral agreement, so it is theoretically “voluntary” to sign on to. However, as part of the bailout conditions which many East Asian countries had to sign with the IMF after their economic meltdown, they had to accept the opening up of their financial markets – the same policies responsible for the crisis in the first place. The FSA commits countries to open their financial services sector to foreign companies,

covering over 95% of world trade in banking, insurance, securities and financial information services. These are highly significant sectors for governments seeking an independent economic strategy and wanting to ensure that investment, both foreign and domestic, serves public goals. Dismantling such protections for the domestic financial sector has been a key goal of transnational banks and financial corporations and the IMF. Indian researcher Kavaljit Singh notes: “The cross border trade of financial services will require removal of restrictions on capital transactions. As exchange controls are often cited as barriers to international trade in financial services and are largely maintained in the developing countries, FSA will serve as an effective tool to remove these.”^{xxxvii}

The “New Issues:” An Investment Agreement at the WTO

So far, attempts to negotiate a comprehensive multilateral agreement on investment at the WTO and at the OECD have failed. Many governments, especially from the South, are very wary of the claims made about the supposed benefits of investment liberalization and have opposed moves to make a global agreement which would bind them to open up their economies by removing all regulations on foreign investment. In the past, Pakistan, India, a number of African countries and Malaysia had insisted that the WTO should not be the venue for negotiating an investment agreement. From the North to the South, social and economic global justice campaigners have set their sights on trying to prevent these “new issues” (sometimes called “Singapore issues”) from getting off the ground at the WTO in Cancún. The “new issues” include investment, competition policy, transparency in government procurement and trade facilitation.

Many see the threats posed by a binding investment agreement at the WTO as one of the most serious for the South. At some point in time, most countries have imposed regulations on investors in line with national development priorities. They do this to ensure that foreign investment benefits the host country as well as the investor. Even after “independence,” many former colonies’ economies have remained shaped by and for the benefit of foreign



Indigenous residents of Nuevo San Gregorio in the Montes Azules Integral Biosphere Reserve in Chiapas, Mexico lead members of a March, 2003 delegation on a tour of their sustainably grown organic corn plots. The residents claim that the Mexican government wants to evict them to permit corporations to have access to the rich resources of the biosphere reserve – including oil, minerals, timber and “green gold” (genetic material contained in the biodiversity of the rainforest). Photo: Langelle



A lone protester defies riot police during the "Battle of Seattle"--the major protests against the WTO ministerial in November, 1999.

Photo: A. Foelsche

companies, and often those closely connected with their former colonizers' governments. Many countries determined that foreign investors could not own more than a certain percentage of telecommunications or other strategic national infrastructure sectors or set conditions on ownership. Many countries imposed performance requirements on foreign investors so that they had to hire a certain proportion of local workers, or use a particular level of local content. Environmental, health and safety legislation set standards in order to ensure that investments were not detrimental to the environment and the health and safety of workers and the public. Now labor and environmental laws are being aggressively targeted in the negotiations and implementation of international trade and investment agreements. The right of current and future governments to regulate in these and other ways is being constrained by participation in such international investment agreements.

Foreign investors – especially transnational corporations - want governments to give them and their investments no less favorable treatment than domestic investors and their investments. Many corporations, and the powerful governments with which they are aligned, argue that such laws interfere with the rights of business and create uncertainty for investors. Through the many bilateral investment agreements which already exist, and a potential WTO agreement on investment,

they seek binding, enforceable rights, and an end to government regulation of investment. Should a future government question the actual benefits of maintaining an open investment regime, and seek to re-regulate foreign investors' activities, under a WTO investment agreement it would risk being forced into costly disputes, paying massive compensation or facing sanctions from aggrieved investors or governments acting on their behalf.

Martin Khor of Third World Network says that a possible WTO agreement on investment

"is ultimately designed to maximize foreign investors' rights whilst minimizing the authority, rights and policy space of governments and developing countries. This has serious consequences in terms of policy making in economic, social and political spheres, affecting ability to plan in relation to local participation and ownership, balancing of equity shares between foreign and locals and between local communities, the ability to build capacity of local firms and entrepreneurs, and the need for protecting the balance of payments and the level of foreign reserves. It would also weaken the bargaining position of government vis-à-vis foreign investors (including portfolio investors) and creditors."^{xxxviii}

More Corporate Welfare... Expanding the WTO

The E.U. wants a WTO agreement on competition policy to restrict domestic laws and practices that favor local firms by arguing that this is inconsistent with free competition. Martin Khor writes,

"Ironically, competition policy was originally understood as a means to help small companies not to be overwhelmed by the big firms. But it is now sought to be used by the rich countries to help their giant corporations compete with the local firms in the developing countries."^{xxxix}

This proposed agreement on competition policy is a companion agreement to the one on investment. A 1999 World Bank paper says: "To oversimplify, trade officials from exporting countries want to force competition officials in importing countries to assist in opening markets."^{xl}

Another "new" issue is government procurement. This means the procurement of products and services by government agencies for their own purposes - a significant chunk of many domestic economies. There is already a WTO plurilateral agreement on this issue which under 30 countries have signed. Now the U.S. and E.U. seek a multilateral agreement on "transparency in government procurement" which all WTO members would have to sign, in order to give their corporations the right to capture the lucrative market in providing supplies to and contracts for public sector projects. As New Zealand investment analyst Bill Rosenberg points out:

"'Transparency' may provide a process for transnationals to challenge government buying decisions on the grounds that the processes used for making purchases were not open and clear, or were not followed to the letter. This raises compliance costs and makes the job of governments (including those of overstretched poor nations and small local authorities) more difficult and more susceptible to corporate pressures."^{xli}

The WTO, Globalization & War

Lofty claims have been made about the WTO's contributions to world peace.

"The WTO...is a system whose core purpose – from its inception in the

aftermath of at the end of the Second World War – was the avoidance of global conflict and the promotion of peace. Peace through rules, peace through international cooperation, and peace through widening circles of prosperity”, claimed Supachai, in a November 2002 speech.^{xlii}

September 11 proved a boon for free traders, their neoliberal agenda and the institutions which promote it, at a time when they were engulfed by a serious crisis of legitimacy and credibility, and with growing popular opposition to the WTO. Shortly after the attacks, just a few weeks before the Doha Ministerial, USTR Zoellick wrote in a Washington Post article entitled “Countering Terror with Trade”:

“America’s might and light emanate from our political, military and economic vitality. Our counteroffensive must advance U.S. leadership across all these fronts....Economic strength – at home and abroad – is the foundation of America’s hard and soft power.”^{xliii}

Support for the “war on terror” was quickly equated with support for neoliberal globalization. The wordgames about terror and free trade continues. The second day of the Cancún Ministerial falls on the second anniversary of 9/11.

As we have already seen, the U.S. and E.U. were able to use 9/11 to their advantage at Doha to bully countries which had previously stood up against their trade and investment agenda. 9/11 was also used to

finally ram through Fast Track (now called Trade Promotion Authority). This transfers almost all trade negotiating power to the executive branch. Under Fast Track, the U.S. House and Senate have only 20 hours to debate a lengthy, complex trade or investment agreement. Congress must vote the entire agreement up or down with no room for amendments.

In a September 24, 2001 speech at the Institute for International Economics, Zoellick had laid the groundwork for a new McCarthyism aimed at global justice activists:

“Terrorists hate the ideas America has championed around the world. It is inevitable that people will wonder if there are intellectual connections with others who have turned to violence to attack international finance, globalization and the United States.”^{xliv}

The criminalization of the global justice movement started long before 9/11. In August 2000, the Canadian Security Intelligence Service released a report entitled “Anti-globalization - a Spreading Phenomenon” which characterized the anti-globalization movement as a national security threat.^{xlv} In a May 10, 2001 statement to Congress on the threat of terrorism to the US, FBI Director Louis Freeh declared:

“Anarchists and extreme socialist groups – ... such as the Workers’ World Party, Reclaim the Streets, and Carnival Against Capitalism – have an international presence and, at times,

also represent a potential threat in the United States.”^{xlvi}

Yet the real threat comes from the massive inequalities and injustice wrought by neoliberal policies which are bringing about more instability, more popular unrest, more desperation and more conflict. For all the WTO rhetoric about a common set of rules for all members, militarily and economically the U.S. maintains a unilateralist approach whenever it sees fit. In Plan Colombia and in its war and occupation in Iraq, we can see a battle on behalf of U.S. corporations to control the profits flowing from natural resources, especially oil. Militarization and enforceable free market disciplines are tools to make countries “safe” for foreign investors, at the expense of local communities’ rights to determine their own futures. The military, the police and security agencies act as the muscle of the free market economy.

WTO agreements undermine social and environmental policies, but protect the corporate war industry through a “security exception” in the GATT (Article XXI). This states that a country cannot be stopped from taking any action it considers necessary to protect its essential security interests, actions “relating to the traffic in arms, ammunition and implements of war and such traffic in other goods and materials as is carried on directly for the purpose of supplying a military establishment (or) taken in time of war or other emergency in international relations.”



Peace march in Washington, DC a few weeks after September 11, 2001. Photo: Langelle

Same Beast, New Name: the WTO Agenda, Indigenous Peoples, Self determination and Resistance

“There is no development that can be constructed with the blood and death of our Peoples and the destruction of Mother Earth.”

-Mining and Indigenous Peoples Declaration, 1996^{xlvii}

Throughout the Americas and throughout the world, Indigenous Peoples are experiencing neoliberalism as yet another wave of colonization. And they are often on the frontlines of resistance. From the Zapatista uprising in Chiapas, Mexico, to the resistance of Indigenous Peoples against attempts to patent and

Hidden Hand, Hidden Fist

Pro-free market journalist Thomas Friedman wrote: “The hidden hand of the market will never work without a hidden fist – McDonald’s cannot flourish without McDonnell Douglas, the builder of the F-15. And the hidden fist that keeps the world safe for Silicon Valley’s technologies is called the United States Army, Air Force and Marine Corps.”^{vi}

Globalization and war are two sides of the same coin. Throughout many parts of the world, including Central America, there has been little “hidden” about the links between corporate interests, globalization, and militarization. Under the guise of the war on drugs, the war on terror, Plan Colombia, and lesser-known programs like the “humanitarian” New Horizons, U.S. military forces are backing U.S. corporate and geopolitical interests from Iraq to Colombia, from Honduras to the Philippines. We can see it in the war on Iraq and how USAID awarded “recon-

struction” contracts to corporate backers of the Bush Administration and we see it in plans for a U.S. free trade agreement with the Middle East by 2013. We can also see it in the Mexican government’s continued war against Indigenous Peoples in resource-rich areas like the Lacandon jungle, home to the Zapatista Army of National Liberation and their supporters. We can see it in the renewed U.S. military presence in South East Asia, especially in their joint exercises with the Philippine military. Their mission is to make the world safe for capitalism and the U.S. empire and to crush communities and economies organized around different values and principles. The Cancún Ministerial meeting is taking place in a war zone. Meanwhile, in the U.S., the so-called “war on terror” and “war on drugs” continues against the poor, communities of color, Indigenous Peoples, and all who dare to articulate a vision outside of the confines of market capitalism.

commodify life, from the opposition of communities to Plan Colombia and Plan Puebla Panama. The globalizers’ drive to destroy traditional communal systems of land tenure to create favorable climates for investment, and to displace Indigenous communities in order to control rich natural “resources” is simply a newer version of colonialism. Indigenous territories are frequently militarized for the benefit of the new conquistadores. In the face of an intensified onslaught by global capital, local elites, and military forces, the success of Indigenous Peoples’ struggles for self-determination, land, and dignity is inextricably linked to all of our futures and that of the Earth’s fragile and finite ecosystems.

“Colonizers believe that they can use our lands and resources without acknowledging those resources and lands belong to others. Now, the colonizers are being used and consumed by their own corporations and companies. Their governments cannot protect them. There is an assumption that this is a new process. Rather, it is colonization continued. It is a beast who knows no limits. When it cannot consume the indigenous peoples’ lands and resources, it has turned on its own people. In an attempt to understand,

the colonizers have called it “globalization.” For Indigenous Peoples, it is not a new concept. It is just the continuation of the colonization that began in 1492,” writes Sharon Venne, Cree lawyer and scholar.^{xlvi}

If we understand the latest wave of globalization to be another version of colonization, we should also examine the foundations and values of the nation-states in which we live. In our struggle to build alternatives to the neoliberal agenda, we must go beyond merely advocating for a strong interventionist state and question whether there can ever be democracy on stolen land and under an exploitative capitalist model of development.

No Borders? No Nations? Not Quite

“Rather than the current phase of globalization eroding the nation state, as is claimed by both the Right and Left, globalization is simultaneously dependent on states to fortify the ideological borders of the nation, as well as to increase state control over the nation, through the construction of immigrant outsiders as a serious threat against which national interests are being defined and ‘protected.’

writes Canadian academic/activist, Sunera Thobani.^{xlix}

“Free” trade and investment policies seek the free flow of capital and goods across national borders, but states still maintain and strengthen the ideological and material borders against immigrants even as they promote the economic exploitation of the people whose free movement they regulate and limit.

Structural Adjustment Programs and trade and investment liberalization have led to cuts in public expenditure, the erosion of education, social and welfare provisions and mandated a raft of other austerity measures throughout the South. With public service cuts, deindustrialization and “flexible” working practices comes joblessness and despair in the cities. In the countryside, small farmers are being driven off the land.

The lives and economies of the South still underwrite the standards of living for the affluent in the North. This has led to escalating poverty, environmental degradation and a growing polarization between and within countries, and fuelled conflict, which in turn has led to increased migration. While there is free movement of capital, people are inevitably forced to leave their homelands and go elsewhere. If Northern governments are so concerned to keep people in their homelands, why do they not move to curb the unfettered movement of global capital and encourage the development of local economies instead?

We can see this paradox at the fenced, militarized US-Mexico border, designed to keep out “illegal” immigrants from Mexico and further south. We could see it at parts of the US-Canada border where, from January-March 2003 thousands of people without status in the U.S. – mainly Pakistanis – went hoping to apply for refugee status in Canada They were blocked from doing so, sent back into the USA, and in many cases detained and deported in the wake of new draconian immigration registration rules.

Free trade and investment agreements guarantee corporations access to low-waged, non-union labor, lower or no environmental costs, and new markets to dominate. Meanwhile Northern governments ignore calls to agree to take in more immigrants in the context of trade and econom-



Indigenous woman resident of Nuevo San Gregorio in the Montes Azules Integral Biosphere Reserve speaks to an emergency delegation about the plans of the Mexican government to evict their community under the guise of ecological protection. The community rejects this accusation as a pretext to get conservationists to support their removal, while the real reason lies in the rich resources of the region to which the Mexican government wants unrestricted access.

Photo: Langelle

ic negotiations with countries which are forced to export labor.

Globalizing Patriarchy

Women disproportionately bear the burden of market reforms and trade liberalization but are frequently on the frontlines of struggles against the WTO and the neoliberal agenda.

Women form the majority of exploited workers, from the *maquiladoras* in Mexico and Central America, to health and education workers in the U.S. and Canada struggling against commercialization, privatization and casualization. Women's role is taken for granted as the state divests itself of responsibilities in healthcare, welfare, education and housing, as market forces widen the rich-poor divide and women take on more unpaid, unrecognized work.

Much of women's work is invisible and taken for granted. National accounting systems used to calculate growth through

GNP assume that if producers consume what they produce, they do not produce at all. Economic self-sufficiency is "non-productive."

Much of the social cost of economic deregulation to make countries "attractive" to foreign investment is borne by women. Many who lost their jobs have been forced into unemployment or low-paid homeworking (working from home, typically on piece-rates on their own equipment). Those who still have jobs have seen their conditions and job security eroded. Now they are pitted against low-waged women in other countries in a lemming-like race to the bottom in which living standards, wages, conditions and environmental protections are all being swept aside in the name of the market.

Many of the world's small farmers are women who, as a result of agricultural liberalization policies, are forced to cities, into unsafe, low-paid jobs in export-oriented industries, owned by corporations seeking rights to invest anywhere where labor and natural resources are cheapest and where environmental standards are dangerously low. In export-processing zones across Asia and *maquiladora* assembly plants on the US-Mexican border, women are favored over men and work in appalling conditions for a pittance. The largest numbers of NAFTA-related layoffs in the USA were in the electronics and apparel industries, both of which employ a high proportion of women.

"[O]ne of the effects of the NAFTA is the feminization of the countryside that has been caused by the departure of the men for the north. We stay behind in the communities, and, with the help of our children, we have to work the land that has been abandoned (by the men). We want the government to have the heart to see what is happening...because poverty is getting worse and worse and emigration is increasing," says Valeria Vidales, National Association of Women Organized in a Network, Mexico.¹

Commodifying Workers

On May 10, 1944 in Philadelphia, the founding declaration of the International Labor Organization (ILO) declared as its first principle: "Labor is not a commodity."^{li} But the WTO and neoliberal globalization treat workers as commodities.

The ILO World Labor Report 2000 showed that increasing trade liberalization and the effects of globalization have resulted in job losses and less secure employment in both industrialized and Third World countries.^{lii} Attacks on social welfare, healthcare and education, as well as privatizations, labor market deregulation, higher unemployment and strongarm tactics against union organizing are rolling back many of the hardwon fruits of struggle for workers around the world, and are being locked in by international agreements like the WTO. In the name of global competitiveness, labor laws are being dismantled. Deindustrialization, as small- and medium-sized producers are crushed by floods of duty-free imports or by transnational rivals setting up shop nearby, has led to massive job losses. The policies of liberalization and privatization have marched hand in hand with the restructuring of work and especially casualization and flexibility. As public spending is cut, many in the public service sector are laid off. This has led to the erosion of fulltime jobs, the growth of casual and contract labor positions and the intensification of work. Industry strategies of contracting out and outsourcing work, and the casualization of the workforce have eroded the unionized workforce. Bosses are able to threaten relocation of the workplace to a location with a cheaper, non-union workforce to bully workers trying to organize. In many countries, trade union repression has worsened since 9/11.

At War with the Environment

Ecological survival is incompatible with free trade and investment regimes and the neoliberal model. This economic model arrogantly assumes endless expansion of production and consumption that a planet with finite natural "resources" simply cannot bear. This regime externalizes environmental costs and targets environmental laws as barriers to free trade or impediments to free investment. This unfettered export-oriented economic growth model causes environmental degra-

dation, pollution of water and air systems, rapid depletion of forests, wetlands and fisheries, and the extinction of flora and fauna. It assumes the rights of countries and companies to commodify, buy, sell and trade “natural resources” often expropriated from Indigenous Peoples.

The WTO literally threatens the very air that we breathe. In the US, regulations were made under the Clean Air Act for reducing compounds in gasoline that contribute significantly to air pollution. Oil refineries required to file with the Environmental Protection Agency could use their 1990 actual performance data as the baseline. Those were naturally mostly U.S. refineries. Other refineries had an absolute baseline because the accuracy of their 1990 date could not be assured, and compliance could not be monitored. These were mostly foreign suppliers. Venezuela took a case to the WTO Disputes Body on the basis that the rule was discriminatory and that its exporters were disadvantaged. The WTO disputes panel rejected the U.S. view that the different treatments were necessary to achieve the environmental goals of the Clean Air Act. The U.S. was forced to change its rules to allow foreign refiners of conventional gasoline to select the least stringent baseline option – leading to a deterioration in air quality.

To Reform or Reject the WTO and Neoliberal Globalization?

“The primary challenge facing popular organizations in their work to propose and formulate alternatives is the domination of the capitalist system in its political, economic, social and cultural forms. As such, we totally reject it...” (From the Declaration of the III Mesoamerican Forum against the Plan Puebla Panama, Managua July 18, 2002)

The debate around whether the WTO should or should not be reformed by polite lobbying or dismantled and delegitimized takes us to the heart of neoliberal globalization. Can we seriously talk about humanizing or adding a “social dimension” to the exploitation and misery inflicted by market capitalism? Do we truly believe that the vehicles for capitalist expansion can be “greened” as the natural world is reduced to a mere commodity to be bought and sold in a global market-

place? Isn’t expecting these institutions and agreements to reform rather like expecting a tiger to become a vegetarian?

Can’t See the Forest for the (GE) Trees

U.S. transnational timber giants like International Paper (IP) seek the global elimination of tariffs on wood and paper products as their top international trade goal. Worldwide forest degradation has increased under competitive pressures in the wood products industry, dominated by a handful of transnational corporations, and hastened by free trade and investment policies and domestic deregulation.

Biotechnology and neoliberalism march hand in hand as IP grows GE trees such as varieties with reduced lignin (the substance which keeps trees rigid), allowing for cheaper, easier paper processing. The motives for growing GE trees and pushing “free trade” through the WTO, is simple – profit and control. ^{liii}

Some activists dub the forest industry international trade strategy as the “Global Free Logging Agreement.” Wood and forest products have been targeted for accelerated trade liberalization. The American Forest and Paper Association said that wood consumption could increase by 3-4% worldwide if tariffs came down. Industry is also looking to dismantle non-tariff measures – like import restrictions on forest products that carry invasive pests and log export bans on endangered timber. Eliminating such regulations would make it hard to ascertain whether logs or forest products were genetically engineered.

The recent U.S. WTO challenge of the European Union moratorium on biotech food and crops claims that the E.U. is misusing the Agreement on Sanitary and Phytosanitary Measures. We could see similar WTO claims against governments who resist GE trees. Would International Paper sue such a government in a NAFTA-style investor-state dispute? If GE Trees take root more widely, we will hear more about TRIPs which gives corporations holding patents exclusive, enforceable private rights and protections over their new “inventions” – in this case living forests.

Some non-governmental organizations (NGOs) and trade unions say that workers’ rights and the environment could be protected by adding a “social” clause (core labor standards) or a “green” (environmental) clause in the WTO. In June 2003, the WTO Director-General personally selected a number of NGOs and trade unions to participate in an NGO advisory group. This is a cosmetic exercise designed to add legitimacy to the WTO. It is paradoxical to expect the very institutions which so zealously promote deregulation and liberalization to the benefit of global capital, to regulate to protect human rights and the environment. Many governments, including the US, are not even signatories to core labor standards of the International Labor Organization on issues like freedom of association, the right to organize and bargain collectively, equal pay for equal work, or minimum wage.

This form of engagement by some NGOs and trade unions can serve to legitimize the institutions and their operations, and to marginalize more transformative views which arise from the everyday realities of people struggling for justice against market reforms. Meanwhile many peoples’ movements, unions, and governments in the South have criticized attempts to link labor standards and the environment to the WTO as being disguised forms of protectionism for the industrialized countries to be used against the South. They have resisted attempts to initiate talks on these issues at the WTO. The labor/WTO linkage issue has been taken up by the ILO Commission on the “Social Dimensions of Globalization.” It seems likely that when its recommendations come out, this issue will come back into the WTO, especially now that the ILO is working more closely with the WTO and the World Bank.

For those organizing at the grassroots, exploitation, discrimination and repression are the natural consequences of globalization, not an unfortunate by-product that can be fixed with a social contract. Canadian union activist Dave Bleakney likens lobbying for a social clause to “fighting for guarantees that you have the right to be present at your own execution.” He says they are based on “the notion that you can make peace with trade rules that undermine people and their communities.”^{liv}

Gerard Greenfield writes,

“accepting globalization and focusing on the rhetoric of poverty, democracy and social inclusion, these civil society groups are in fact helping the WTO out of its crisis of legitimacy. This occurs at a time when the very thing we should be doing is deepening the crisis....It’s in being ‘uncivil society’ that we find we can challenge the WTO and what really lies behind it.”^{lv}

All over the world, people are mobilizing in their own communities against the WTO and neoliberal globalization, making the links between their daily local struggles and global processes and institutions. For example, People’s Global Action (PGA - a worldwide alliance for struggle and mutual support against neoliberalism and capitalism) is calling for coordinated, decentralized actions from September 10-14 to coincide with mobilizations in Cancún against the WTO Meeting.^{lvi}

We need to align our struggles for alternatives to neoliberalism with older struggles for self-determination, against all forms of imperialism and colonialism. We must delegitimize transnational corporations and international institutions like the WTO, World Bank, the IMF, the IDB, and the other institutions and processes which advance neoliberal globalization globally, regionally and nationally. We must clearly and deliberately reject them as fundamentally flawed. And we must act now.

“...[R]esistance against neoliberalism does not only exist in the mountains of the Mexican Southeast. In other parts of Mexico, in Latin America, in the United States and Canada, in the Europe of the Treaty of Maastricht, in Africa, in Asia, in Oceania, pockets of resistance multiply. Each one of them has its own history, its own differences, equalities, demands, struggles, and accomplishments. If humanity still has a hope of survival, of improvement, that hope is in the pockets filled with the excluded ones, the leftovers, the ones who are disposable...There are as many shapes as there are resistances, and as many worlds as there are in the world. So draw the shape you prefer.”

--Subcomandante Marcos,

“Seven Loose Pieces of the Global Jigsaw Puzzle”, Mexico, June 1997.

Living Alternatives to Neoliberalism

THE CASE OF ARGENTINA: Resistance, Transformation and Alternatives to Global Capitalism

The processes highlighted by the massive mobilizations in Argentina over December 19th and 20th, 2001 shows us that masses of people disillusioned by a corrupt system, using methods of direct democracy and direct action, can produce change, most notably non-payment of the IMF imposed debt. These creative actions collectively opposed the representational political system, opposed neoliberalism, and advocated for civil liberties. For example, through massive direct actions, the movements empowered the negotiations between the government and the IMF, defaulting on its payment for a whole year. These massive mobilizations in Argentina reinforced the struggle of the “piqueteros” and supported the recuperation of 200 factories under workers’ control, in which 10,000 people manage the production and commercialization of everything from bread to tractors throughout the country. It created the “popular assemblies,” neighborhood spaces for discussion of these new politics, community services and coordination of direct actions. The devaluation of salaries were also stopped through various protests.

Ezequiel Adamovsky, from the Cid Campeador Popular Assembly points out that these movements have created a new radical culture that is transforming politics into something new and different, organized around three elements: horizontality, multiplicity and autonomy. The worker-controlled factories, the micro-enterprises and community services of the unemployed workers, the assemblies with their community-building programs, the campesinos who reclaim their land, and the radical art collectives constitute the spaces where the new movements will find resources to grow and expand.

-Taken (in part) from Graciela Monteagudo, The Argentina Autonomista Project, www.autonomista.org

Building a Solidarity Economy in Mesoamerica

Some groups in Oaxaca and Guatemala call it the Campesino

Economy, while in Chiapas and Nicaragua it is called the Solidarity Economy, but the goal is the same: to build a regional economy based on mutual support between not only local producers and consumers but between producers themselves. A key to this model is the use of sustainable (or organic) farming techniques so as to end the small farmers’ dependence on transnational corporations that sell them chemical fertilizers and pesticides, inputs that ultimately destroy the soil. Another core tenet is the organization of cooperatives, a strategy that prioritizes solidarity and fundamental indigenous values. These strategies are founded on the central principle of indigenous autonomy or indigenous self-determination.

One of the better-known examples of a solidarity economy can be found in the 36 autonomous municipalities formed by Zapatista support communities in the highlands of Chiapas, Mexico. Since they rose up against unjust treatment by the government in 1994, hundreds of communities have created their own education, health, governance and economic structures within an area that covers almost a third of the state. One part of this struggle is the creation of dozens of cooperatives that produce a variety of products such as organic vegetables, honey, bread, cornmeal and coffee.

As with many other campesino cooperatives, the Zapatista supporters have a diverse range of strategies for these products, including using them for subsistence, bartering between cooperatives, selling them locally and exporting them through solidarity groups. But in this case, the profits do not just benefit the families of growers or bakers – they are put in a public fund that is used for community-wide projects such as schools and clinics. Using this method, the autonomous municipalities have improved the standard of living of entire communities.

Taken (in part) from: *Plan Puebla Panama: Battle Over the Future of Southern Mexico and Central America*. Available at <http://www.asej.org>

ACRONYMS

AOA – Agreement on Agriculture (WTO)
ATC – Agreement on Textiles and Clothing (WTO)
ATPA – Andean Trade Preferences Act
BRT - Business Roundtable
CAFTA – Central American Free Trade Agreement
ERT – European Roundtable of Industrialists
E.U. – European Union
FSA – Financial Services Agreement (WTO)
FTAA – Free Trade Area of the Americas
GATT – General Agreement on Tariffs and Trade (WTO)
GATS – General Agreement on Trade in Services
GDP – Gross Domestic Product
GE – Genetically Engineered
GM(O)– Genetically Modified (Organism)
GNP – Gross National Product
ICC – Int’l Chamber of Commerce
ICSID – Int’l Center for the Settlement of Investment Disputes (World Bank)
IDB – Inter-American Development Bank
ILO – International Labor Organization
IMF – International Monetary Fund
IP – International Paper
ISAC– Industry Sector Advisory Comm.
MAI– Multilateral Agreement on Investment
MFA – Multi Fiber Agreement
MFN – Most Favored Nation
NAFTA – North American Free Trade Agreement
OECD – Organization for Economic Cooperation and Development
PGA – People’s Global Action
PPP – Plan Puebla Panama
SAPs – Structural Adjustment Programs
SPS – Agreement on Sanitary and Phytosanitary Measures (WTO)
TBT – Agreement on Technical Barriers to Trade (WTO)
TNC – transnational corporation
TRIMS – Agreement on Trade Related Investment Measures (WTO)
TRIPS – Agreement on Trade Related Aspects of Intellectual Property Rights (WTO)
USAID – United States Agency for International Development
USCSI – United States Coalition of Service Industries
USDA – United States Department of Agriculture
USTR – U.S. Trade Representative
WTO – World Trade Organization

FOOTNOTES

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