

From Doha to Hong Kong, via Cancun

## **Will WTO Shrink or Sink?**

Friday 16 December 2005, by [SHIVA Vandana](#) (Date first published: 12 December 2005).

The WTO Ministerial at Hong Kong has already failed. For the corporate world it has failed because smaller, poorer developing countries are starting to have a say in outcomes of WTO negotiations. With the backing of peoples power on the streets they walked out of the Seattle and Cancun ministerial, exercising the highest power in democracy, the power to say 'no', the power exercised by Gandhi and Martin Luther King, the power of non-cooperation with unjust rule.

Doha was the first ministerial after Seattle had failed. No new "round" should have been launched at Doha. That is why the slogan of the people's movement was "No new round: Turn around". The Doha Ministerial was to have been primarily for "implementation" issues - the mandatory reviews of the problematic agreement on Trade Related Intellectual Property Rights (TRIPS) and Agreement on Agriculture (AoA) imposed on the world through the Uruguay Round of undemocratic negotiations.

As usual, the powerful countries, driven by their even more powerful corporations wanted both to prevent the mandatory reforms of the agreements that establish corporate monopolies in agriculture, seeds and medicines, as well as to introduce new issues like non-agricultural market access (NAMA) and further distort the already distorted GATS (General Agreement on Trade in Services). It is to introduce new issues that they refer to a new "Doha Round" when in fact we are in the implementation period of the Uruguay Round. To placate the developing countries with doublespeak, they refer to the "Doha Development Round".

What is offered as the "Development Package" in the draft Hong Kong declaration of 26<sup>th</sup> November 2005 is "Aid for Trade" with World Bank and IMF further locking Third World countries in debt through loans for 'trade related infrastructure' - more ports, more superhighways, leading to more green house gases, more climate change. This is not a "development package" but a recipe for environment disaster. World Bank is also pushing water privatization as trade related infrastructure.

The "Aid for Trade" package is in fact World Bank and IMF loans joining with WTO rules to impose trade liberalization on Third World Countries. Now that the marginalized and excluded players have learnt to exercise their power in WTO through non-cooperation, they are refusing to cooperate with demands for further trade liberalization in agriculture, and introduction of trade liberalization in services and industrial production. And they need to reject the "Aid of Trade" package in the draft Hong Kong Ministerial Text.

### **The Draft Hong Kong Declaration: A Retreat From The Doha Mandate**

The Draft Hong Kong Declaration is an attempt to retreat from commitments made at Doha. Para 18 of the Doha Declaration addressed the extension of the protection of geographical indications provided for in Article 23 to products other than wines and spirits. These products are of interest to developing countries and include products such as Basmati rice (pirated and patented by Ricetec corporation of Texas) and Darjeeling tea. The Hong Kong Declaration makes no reference to extension of geographical indicators to other products.

Para 19 of Doha was an instruction to undertake the mandatory review of Article 27.3(b) of TRIPS and the review of the implementation of the TRIPS agreement under Article 71.1, taking fully into account the development dimension. The work programme of Para 19 related to review of TRIPS finds no mention in the Hong Kong draft.

The phasing out of export subsidies agreed to in Doha has disappeared in the new text.

The Doha text had reaffirmed “the right of members under the General Agreement on Trade in Services to regulate, and to introduce new regulations on the supply of services”. For Hong Kong this has been diluted to “with due respect to the right to regulate”.

On issues of interest to people and the Third World, Hong Kong is a regression with respect to Doha. On issues of interest to global corporations and rich countries, the Hong Kong declaration rushes ahead with expanding the WTO agenda.

### **“WTO: Shrink or Sink”**

Since Seattle, the call of the people’s movement “Our world is not for sale” has been “WTO shrink or sink”, People’s movements want a shrinkage in the areas controlled by WTO. They want WTO out of Agriculture; they want IPR’s out of WTO. For the people of the world, and countries that bear the costs of trade liberalization, “shrink or sink” refers to shrinkage of corporate rights and WTO’s power’s over our lives and our resources.

Corporations and the powerful countries, which work on their behalf want an expansion of the areas under WTO’s control, but a shrinkage in the powers and participation of member countries.

The attempts to systematically marginalize implementation issues and subvert the built in right to reform and change in WTO rules and agreements as built into the Doha mandate are an example of political shrinkage as interpreted by the rich and powerful countries. New reference to plurilateral agreement in services to be imposed on developing countries are new directions for exclusion when participation in multilateral negotiations by the weaker member starts to become a block. For corporations and the US and EU the way forward is an even more asymmetric, unjust, non-participatory, undemocratic WTO. Their “Shrink or Sink” is shrinkage of democracy and peoples rights.

The powers that created WTO will not allow it to sink so easily. Therefore democratic shrinkage is the only option left to them. And democratic shrinkage means an even more naked display of brutal corporate takeover of our economies and securities than we have witnessed in the last ten years of WTO rule.

For the movements too, a new challenge emerges. While we want WTO to shrink to the old GATT, shedding both the new issues of the Uruguay Round - IPR’s, Agriculture, Services, Investment - and not taking on the new issues of the so called Doha Round, we also have to address the subversion of WTO’s shallow multilaterism with bilateral and plurilateral agreements.

We want shrinkage in WTO’s jurisdiction and mandate, but an enlargement of participation and rights of people and their government to have a say on issues of international trade, including which issues cannot be governed merely by rules for international commerce. Such issues include food and agriculture, biodiversity and medicines.

The Agriculture Agreement has already led to the killing of thousands of farmers. In India, nearly 40,000 farmers have been driven to suicides in the last decade due to trade liberalisation. In Cancun, Korean farmer Lee took his life. Two more Korean farmers committed suicide recently in

protests against free trade in agriculture during the APEC meetings. Not only is WTO killing farmers, it is killing democracy.

The US dispute against EU on the GMO issue shows how WTO rules are being used to deny citizens their right to choose the food they eat. From remarks made by Mr. Supachai, till recently the WTO's Director General, at an UNCTAD conference in Delhi on 28<sup>th</sup> November 2005, where he referred to the country "impeding GMO's" having lost the WTO dispute, it can be inferred that Monsanto has successfully used WTO for forcing open European markets for GMO dumping, against the will of European citizens, and against the constitutional rights of thirty regions in Europe which have declared themselves to be GMO free.

WTO is clearly an inappropriate institution for making decisions on what farmers grow, and what people eat. These issues are best left to local, regional and national democracies. This is the content of food democracy and food sovereignty. That is why WTO must stop messing up with our food and agriculture systems.

Similarly, the WTO TRIPS agreement that forces countries to patent seeds and life forms, promotes biopiracy of traditional knowledge, and creates monopolies in seeds and medicines needs to change. A trade institution has no business to impose far reaching patent rules, which are denying people access to seeds and medicines. These issues too need to be returned to national democratic decision-making.

People's power and developing countries won in Seattle and Cancun. The moral and political failure of WTO needs to be translated into the creation of alternatives at local, national and international levels.

Beyond Hong Kong, we will either go deeper down the road to democracy or the road to dictatorship. Which road is taken will depend on how successful movements are in building creative alternatives to WTO based on economic democracy and economic justice.

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