

# WTO: What happened in Geneva?

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Pursuant to its statutes, the World Trade Organisation must hold an assembly with all its members every two years. Practice is quite far from statutes. Indeed, due to the difficulties encountered by negotiations to successfully accomplish the Doha Round, there has not been a meeting of all the WTO members since the last WTO conference took place in December 2005. In order to convene a plenary meeting without running the risk of a new negotiations setback, the Director-General of the WTO had called up the representatives of the 153 countries members of the WTO and the 56 countries having the status of observers not for a negotiation session but a discussion meeting and assessment of multilateral negotiations.

Nonetheless, the various organisations of civil society keeping a close eye on trade negotiations expect the presence of all the ministers in Geneva to be the occasion of dangerous parallel and informal meetings to prepare a successful accomplishment of the Doha Round in 2010. Approximately a hundred people of the OWINFS (Our World Is Not For Sale) network travelled to follow the inside of the progress of the conference that gathered around 3000 delegates. About a hundred people (thirty of whom were representing Via Campesina) kept an active presence outside the conference venue (vigils, symbolic blockade of the WTO building, guided tour of Geneva's criminals in different areas - finance, agriculture, climate - press conferences, etc.).

## **The Official Content:**

In the end, our mobilisation efforts were undoubtedly disproportioned if compared to the content of the exchanges that took place. The ministers reasserted the need to conclude the Doha Round in 2010 for the sake of the world economy. They tackled the complementarities between multilateral negotiations and bilateral or regional agreements. They also expressed their will to strengthen the ties between the WTO and the other international organisations while warning against the "green protectionism".

## **G20 and Developing Countries: conclusion at any cost!**

In relation to the ministerial meeting in New Delhi in early September 2009, no progress was made in Geneva with regards to the position of developing countries and the less advanced economies. Those ones and cotton-producing countries in particular (Mali, Chad, Burkina, Benin) repeated that they are attached to the proposal put forward in December 2008 as the basis for future negotiations. This position can be explained by the fear of developing countries towards seeing the United States re-open negotiations in order to gain even more access to their markets. Fearing the worst, they have now accepted a proposal that was described as unacceptable a year ago. Last October, the

main African cotton-producing countries led us to believe that they would block all negotiations if the question regarding the subsidies that the United States is granting to its cotton producers was not resolved prior to any negotiation. In early December, this strong position of negotiation passed completely unnoticed. The declaration of the Egyptian ambassador, in charge of the group of African countries, remained quite general. He reminded of the fact that some African countries were attached to the initial mandate of the Doha Round as a development round and he defended the political weight of developing countries ("85% of the world population"). However, he did not take any risks as to African countries being held responsible for the multilateral negotiations setback in 2010.

In general terms, the pressure is huge on the least countries that deviated from the political line mapped out by the G20. As they repeated in their statement on the 29<sup>th</sup> of November, G20 countries want a conclusion of the Doha Round in 2010. They are prepared to make the best of the text of December 2008, which in practical terms means that they abandon all their demands of July 2008 (demands for the effective reduction of subsidies to developed countries and the guarantee of a system for the protection of domestic peasant agriculture in case of an outbreak of imports from the global market).

India in particular keeps its enthusiastic and proactive attitude since early September. While committing to protect the domestic agriculture, the Indian Minister for Trade is pushing at the international level, like the other G20 members, for the conclusion of the Doha Round in 2010. But since this schizophrenia is not proving easy to keep up, he refused to meet with NGO representatives and workers' and peasants' trade unions in Geneva. He also explained to the journalists that the suicide cases in India had nothing to do with agricultural trade liberalisation.

That was quite a flippant manner to evade the issue seeing as it is known that since January 2009 more than 900 suicide cases have been registered only in the region of Vidarbha.

## **The Conclusion of the Doha Round within reach of the United States**

Everything looks as if the conclusion of the Doha Round depended only on the United States. However, the U.S. Trade representative, Ron Kirk, was in Geneva this time under very strict instructions: not to negotiate. The United States is in a tight spot because they are aware of the fact that what they are doing at home is the complete opposite to what they are asking others to do at the international level. While trying to introduce more regulations in the American finances, they are demanding a wider liberalisation of the banking sector in developing countries.

While the other actors involved in the negotiation process wonder when the United States will be ready, two U.S. senators presented a legislative bill the content of which is the exact opposite of the Geneva talks. This bill demands an assessment of the existing agreements (ALENA, CAFTA) and of the participation of the United States in the WTO. It proposes new criteria to achieve a new participation mechanism for the United States in international negotiations which would replace the former Fast Track. The aim is to lay the foundations of a type of trade agreements that are more suitable for the resolution of issues such as hunger and poverty in the world. The U.S. trade policy is certainly not defined yet!

## **Read between the lines**

There are several things to get our heads around that arise from the closing statement of the

meeting in Geneva - the concern displayed to strengthen the ties between the WTO and the other international organisations, the warning against the "green protectionism". One of those things, on the one hand, is that the WTO does not intend to let go of the carbon credit market. Even if there was nothing in particular to discuss, it was important, however, to hold this conference prior to Copenhagen in order to re-establish itself as a vibrant and active institution. On the other hand, following the recent summit in Rome, it is also necessary to remind of the hegemony of this organisation over agricultural markets at a time when voices are being raised to give FAO all its legitimacy back in this sector.

The talks that were held on finding complementarities between multilateral negotiations and bilateral or regional agreements are also remarkably important. One of the topics of discussion is the extension to the group of members of the WTO of advantages granted between two countries within the framework of a free trade agreement (FTA) or amongst several countries within the framework of a regional agreement. FTAs and regional agreements often push trade liberalisation too far; therefore, this idea is extremely risky.

The issue is all the more relevant since a meeting was held in Geneva, in parallel to the 7<sup>th</sup> Conference of the WTO, of trade ministers from the countries that are taking part in multilateral negotiation process encouraged by the UNCTAD (United Nations Conference on Trade and Development). 43 countries - of which Argentina, Brazil, Cuba, Chile, Indonesia, Thailand, South Korea, Vietnam, Iran, etc. - are members of this process called Global System of Trade Preferences (GSTP) since 1989. This process aims for the establishment of a tariff preference system amongst developing countries. On the past 2<sup>nd</sup> of December, the ministers took a very concrete step when they agreed on a tariff reduction of 20% applicable to 70% of the products traded between the members of the GSTP by September 2010.

It is clear that within a context where on the one hand the negotiations of the Doha Round are blocked but where the regional agreements are making progress on the other, the issue of the extension to the group of members of the WTO of regional agreements is not neutral.

### **Paradoxical Situation**

Those of us who went to Geneva left with the unpleasant feeling of knowing that we were undoubtedly close to an agreement - without a shadow of doubt even closer than in the last 8 years. Such agreement depends greatly on the United States, but they are trapped at the international level by their own national policy. Yet, this scheme is finally up to the majority of the governments present in Geneva and this is undoubtedly our chance. There is a huge difference between the promises made by the governments to their people and the policies that they defend at the international level. The financial, climate, economic and food crisis are increasingly bringing those contradictions to light. We can see the agreement coming more by the lassitude of the majority of the governments than by true convictions. They return to their countries without a solution to the crisis that they are facing in spite of the fact that the declared goal of this conference was to tackle the role of the WTO in the resolution of the current economic crisis.

Although it has been mentioned that an agreement is within reach for 2010, it should be added that a conference like the one held in Geneva shows a World Trade Organisation weakened and discredited by the economic situations of the majority of its members.

**Solenne Piriouna, Via Campesina**

