

# **The Coronavirus Pandemic and the Crisis of the World Trade Organization: An Opportunity to Transform Philippine Agriculture**

Saturday 30 May 2020, by [BELLO Walden](#) (Date first published: 29 May 2020).

**Intervention of Walden Bello in the Webinar on the “Program for a New Normal in Agriculture” sponsored by Greenpeace Philippines and other organizations, May 29, 2020.**

Thank you for inviting me to be part of this panel.

I was originally intending to give the main points of a recent article I did on taking advantage of the crisis of the global food supply chains to reorient agricultural production internationally to local farmers and farming communities using the paradigm of food sovereignty.

However, I have been asked to focus more on the Philippine situation, so let me make a few points in this regard.

The greatest problem faced by our agriculture has been the liberalization of agricultural trade owing to the demands of the World Trade Organization. Don't take that from me. Take that from President Duterte himself, who during his victory speech in Davao in late May 2016 said that our agriculture was, to use his words, “destroyed by the WTO” and that his agenda was to liberate us from the yoke of this organization.

Once he came to power, he forgot the promise he made that day and continued the neoliberal agricultural policies of the previous administrations. Last year, he signed into law the Rice Tariffication Act sponsored by Senator Cynthia Villar, who is a great friend of the real estate industry but no friend of farmers. The Rice Tariffication Act has been described accurately as the last nail on the coffin of rice agriculture.

Our government policies have been in sharp contrast to those followed by Japan, Korea, Vietnam, and Thailand. These countries have saved their agriculture and their farmers by defying the World Trade Organization by protecting their agriculture with all sorts of tariff and non-tariff mechanisms and with tremendous subsidies. Subsidized rice from Vietnam and Thailand has been dumped on the Philippines, yet our government has accepted this condition with such admirable fatalism owing to our technocrats' belief in the idea that the market will bring about prosperity for all. Well, it has not, and certainly for our farmers, unrestricted market forces have brought lower incomes, loss of livelihoods, and loss of land.

During the debate on our accession to the WTO 27 years ago, we made predictions about the crisis that would be unleashed on our agriculture and industry if we were serious about our commitments to the WTO liberalize. Every one of those predictions has, unfortunately, materialized.

During the neoliberal period of the last 27 years, our economic agencies have followed nothing less than a program of surrender to the WTO and other external actors. The Department of Agriculture should have been renamed the Department of Agricultural Disarmament and the Department of Trade and Industry should have been called the Department of Industrial Disarmament. We have lived through a period of massive displacement of local agricultural products by imports and radical de-industrialization.

The disruption of global and regional supply chains brought about by Covid 19 has coincided with a deep crisis of the World Trade Organization, which has become so weak that many countries no longer live up to their commitments. This drastic weakening of the WTO is due to the fact that the US and other powerful countries no longer want to live up to the WTO's rules. This conjunction of circumstances presents us with a great opportunity. This is the time to reorient our agriculture and put the emphasis on domestic production via the adoption of quotas, high tariffs, and high levels of subsidization, and creatively using all the escape mechanisms such as anti-dumping and sanitary and phyto-sanitary measures.

Instead what we have from government agencies is a grocer's list of measures with little integration that are no more than items in a budget. There is no vision that guides the plan of the government to move to the so-called "normal."

This so-called program for a new normal is not really a program of rejuvenation and transformation but is akin to morphine for a cancer patient, a drug to ease the pain of dying.

A genuine program of transformation should have a strategic vision, and that is, an agriculture first policy focused on saving and revitalizing agriculture.

Only by articulating such a strategy can we be clear about the measures that need to be adopted. These are protective tariffs and quotas, subsidization of agricultural production, agricultural planning, and social security measures for farmers and fishers. These measures should be coordinated with other social policies, industrial policies, and climate policies so as to form an integrated whole.

Let me end by saying, in the beginning of his presidency, President Duterte promised the liberation of our agriculture from the WTO. He forgot that promise. We should remind him that this is the time to make it a reality.

**Walden Bello**

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**P.S.**

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