

REJECT THE CANCUN AGENDA! WTO OUT OF AGRICULTURE!

Position Paper on Cancun Round of the WTO Ministerial Meeting Prepared by Kilusang Magbubukid ng Pilipinas (KMP)

On September 10-14, 2003, the 5th Ministerial Meeting of the World Trade Organization (WTO) will be held in Cancun, Mexico to discuss and decide the agenda, as outlined in the Harbinson text.

Billed as the mother of all WTO rounds, the Cancun Ministerial Meeting will set its sights on the liberalization of agriculture, the inclusion of services sector under the General Agreement on Trade in Services (GATS), the inclusion of fisheries sector, small-scale economies and natural resources in the WTO regime.

The WTO round in Cancun would also start negotiations for the so-called “Singapore issues” on investments, competition policy, government procurement, and trade facilitation. The agenda will also review the Trade-Related Intellectual Property Rights (TRIPs) with the end view of institutionalizing foreign economic powers' global plunder of national wealth in the guise of overriding TRIPs provisions to delimit public health concerns that can be availed of by member countries.

In other words, the Cancun agenda will decide on how the WTO, dominated by the advanced capitalist countries, will force poor and small nations to further open up their markets to the deluge of overproduced products and surplus and idle capital.

The chronic crisis of overproduction and financial collapses among the world's leading economic powers and the passing of these burdens to Third World economies is the motivating and driving force behind the Cancun Round, the same agenda carried in previous ministerial talks of the WTO.

In the case of agriculture, the WTO-Agreement on Agriculture would fasttrack tariff reduction to zero level. The quantitative restriction or QR on rice will soon be covered by tariffs and will be outlined for zero tariffication. The same applies to other agricultural products currently covered by QRs.

In the case of services and investments, they will come under the terms of WTO for the first time, which will make the WTO regime now comprehend the three major sectors of national economies of member countries. Indeed, the Cancun agenda is a “new round” as it sets the direction of the WTO in the next few decades.

The advanced capitalist countries, such as the United States, Japan and European Union, which dominate the WTO are in a hurry to have these comprehensive issues concluded in the WTO because the global capitalist system is in deep crisis. In 2001, global trade shrunk by 4.3 per cent. For the last two years, the US and EU countries have been trimming down GDP growth targets because of a weak global market. And in their competition with one another, the solutions that they had applied to the crisis had long lost their efficacy such that the US, the leading capitalist power in the world, is now resorting to that old measure characteristic of capitalism in resolving its crisis; that is, by going to war against nations that it can bully with military might.

WTO liberalization as plunder and destruction of Philippine agriculture

The country signed the WTO in 1994 on the premise that Philippine agriculture would benefit the most from increased access of foreign markets and 20 per cent expansion of global trade in agriculture. The government assumed that this expansion would produce a P 60 billion gross value added in agriculture, generate P3.4 billion agricultural trade net surplus, and 500,000 annual jobs.

But after nine years of Philippine membership to the WTO, it was not the prophecies of growth that fulfilled themselves but the myths and lies of WTO globalization. Global trade did increase tremendously by 25% but such increase did not benefit Philippine agriculture and Filipino farmers.

Contrary to government promises, the increase manifested in the domestic market being flooded with agricultural imports while Philippine agricultural products remained shut off in the markets of advanced capitalist countries, leaving out local agricultural products in the cold to the destruction of local producers and farmers.

Philippine agriculture suffered a marked decline under the WTO regime. The contribution of Philippine agriculture to the Gross Domestic Product has decreased at an average of some 2 per cent.

In the five years before the WTO regime, Philippine agriculture contribution to GDP was as high as 28 %. In the period after 1995, the year the WTO regime went into effect, its contribution sank to the lower end of 20%. In the last three years: 21% in 2000, 19% in 2001 and to as low as 18% in 2002. The downward trend in agriculture continues into the first six months of 2003.

Declining agricultural productivity and agricultural import liberalization have caused the destruction of livelihood opportunities and farmers' income in the rural economy. Since 1994, a total of 1.890 million jobs were destroyed and lost in agriculture. It has mostly affected small independent producers and farmers whose production is geared to the local market, such as of rice fisheries, vegetables, and livestock.

With no substantial increase in access in foreign markets and with the flood of cheap agricultural imports in the local market, Philippine agriculture is suffering unprecedented foreign trade deficits to an accumulated total of \$ 5.2 billion since 1995. Trade liberalization in agriculture has also caused the country to incur revenue losses to the tune of P 10 billion a year.

The WTO along with IMF-WB designed market-oriented land reform program further reconcentrated agricultural lands in the hands of big comprador-landlords and transnational groups, deprived peasant land rights and downplayed any effort aimed at increasing productivity of farmers and rural producers.

It is the supreme irony created by the WTO regime of liberalization and globalization that an agricultural economy like the Philippines has been transformed into a net food importing country. And in the wake of heightened exploitation of Philippine agriculture by local and foreign investments comes the degradation and destruction of environment.

The Cancun Agenda: perpetuating trade inequity, intensifying destruction

The Cancun agenda is set to further reduce tariffs by 40% for agricultural products which are still enjoying over 120% tariff rates; by 33% for agricultural products under the 20-120% tariff range; and by 27% for agricultural products below 20%. On this single sense alone, it is anti-small farmer, anti-poor and anti-agricultural development of Third World economies.

In the same vein, the Cancun agenda will only deepen and expand the powers of WTO that have been used to cement the domination of advanced capitalist countries over Third World economies and thereby perpetuate the iniquity of trade between their respective economies.

For while the Harbinson text comes out strong on further reduction of tariff and non-tariff barriers to international agricultural trade, it is conspicuously silent on the practice of advanced capitalist countries, such as the US, EU, Japan and Australia, that maintain multi-billion subsidies for their agricultural producers. While agreeing that such practices are "trade-distorting", the Harbinson text largely left untouched the so-called Green Box, which allows direct subsidies to agricultural producers in, advanced capitalist countries.

In stricter sense, the subsidies given by the US government for agriculture were not really subsidies but part of transnational operations. To begin with, 80 % of subsidies allocated for agricultural production go to transnational agro-corporations engage in mass production of agricultural products for domestic and export markets. Meanwhile, subsidies granted by states in Third World nations to agricultural producers failed to elevate the level of production, and in most cases, no subsidies are given to local producers.

The Cancun agenda seek to expand the scope of liberalization, deregulation and privatization and will tear down the sovereignty of Third World nation-states, expose their national patrimony to unhampered monopoly capitalist exploitation, derogate the powers of their governments to protect vital areas of their national economies.

On the other hand the Cancun round will bloat the powers of the WTO as the global enforcer of the interest of advanced capitalist countries such as the United States and the European Union while reducing Third World states into “street policemen” of WTO rules.

The new issues, in as much as they extend liberalization to new areas in fisheries, services and investments and even in areas that are the domain of government policy making, will also mean the increased powers of the WTO over Third World countries. As these issues cover the three major sectors of national economies, they will mean the complete control of WTO over member countries even as these issues will facilitate the total surrender of national patrimonies of Third World countries to monopoly capitalist domination and exploitation.

The moves in and out of Philippine Congress for changing the constitution in order to eliminate its “nationalist provisions” and to allow 100 per cent foreign ownership of land is a direction along this thrust of the WTO.

In plain terms, the new issues mean the intensification of imperialist plunder of entire Third World economies. And it means further destruction of Third World agriculture, further decline of their agriculture productivity and more economic dislocation of small farmers.

Even before the Cancun round of the WTO, the intensification of imperialist plunder on Third World economies has gone on unabated with the present level of liberalization under the terms of UR. This is especially true in the case of the Philippines which is implementing “early voluntary sectoral liberalization” in many sectors of Philippine agriculture that were not even covered by the WTO-AoA mandate, such as fisheries, livestock and vegetables.

The rice import liberalization program of the GMA regime, in as much as it attempts to fast track the liberalization of the rice industry ahead of the WTO schedule is also actually a measure similar to the “early voluntary sectoral liberalization”.

Since the enactment of the Fisheries Code in 1998, fish importation has increased by 45%, causing steep decreases in the income of small fishers. The vegetable sector would suffer the same fate with the implementation of Agriculture Tariffication Act of 1996. In 2001 alone, vegetable imports increased by 2 million kilos from the level of 10,000 kilos in 1999. This caused the loss of P 60 million among small vegetable producers in Benguet and Mt. Province.

Despite glaring evidence showing the country's ill-fated and dismal standing after almost of nine years of engagement in the WTO, the government will still pursue its' previous commitments, renegotiate and join the new round along the lines of free trade and framework of WTO and globalization.

Right now, the government negotiators in the Cancun round of WTO are hyping about the Philippines' so-called radical positions in the 5th round of the WTO. According to officials of the Department of Trade and Industry (DTI) and Department of Agriculture (DA) the government will spearhead the call for advance capitalist countries to reduce their direct subsidies and lower their tariff rates to gain wider market access abroad.

But as reality checks stress: " This is pure imagination, mind-boggling and out of this world. The best thing to do is take WTO out of local agriculture and out of our lives".

The calls and demands of the Filipino farmers: away with the WTO

The Filipino farmers' experience under the WTO was nine-year nightmare of massive landlessness, lost of over a million jobs; irreparable lost of livelihood, widespread hunger and poverty. For them, farmers, the only way to avert the further destruction of Philippine agriculture is to do away with the WTO and go beyond Cancun.

The Filipino peasantry had opposed and intensified its resistance against the WTO and imperialist globalization and plunder. On the occasion of the 5th WTO Ministerial Meeting, they call on the peasantry and all the toiling masses of the world to condemn, oppose and reject the Cancun agenda and demand for taking agriculture out of WTO and in abrogating the WTO.

In lieu of the agenda pushed by the WTO and advanced capitalist countries, the Filipino farmers put forward the following tactical and immediate demands:

1. Stop the implementation of WTO liberalization policies! This is to stop the bleeding of Philippine agriculture and the economic genocide of small Filipino farmers under WTO.
2. Institute production and marketing subsidies in agriculture! This measure must be instituted with the end view of developing local agriculture production technology and national industrialization because it is only through these that subsidies will truly serve Filipino small farmers.
3. Conduct impact assessment on the effects of WTO liberalization! An impact assessment on the effects of WTO liberalization in Philippine agriculture to have a clear and objective basis for its abrogation by the Philippine Senate.
4. Reject the Harbinson text and no commitments to the “new issues” in the Cancun meeting. As the Cancun agenda will tackle a new round of negotiations to further liberalize international trade and cover new issues to expand the WTO regime in services, fisheries and investments, the Philippine government must not make any new commitment in Cancun except with regard to demanding for a moratorium in the implementation of WTO liberalization policies. In lieu of the Harbinson text and “new issues”, the Philippine government must uphold national patrimony and implement genuine agrarian reform.
5. Stop rice liberalization and importation! The rice sector is already badly hit with liberalization policies even if it is still technically under the “quantitative restrictions”. As rice is the staple food of Filipinos, it must not be compromised for inclusion in the WTO trade regime to pave the way for rolling back the rice trade liberalization policies already implemented by the GMA regime.

The WTO, one of the key instruments of the imperialist camp and advanced capitalist countries in pushing the global corporate takeover and plunder of people's economies must be exposed, resisted and junked at all time in whatever form, in whatever substance and in whatever process.

At the end of the day, the Filipino farmers and the rest of the people would agree with that the most compelling solution to arrest the rising tide of landlessness, poverty, hunger, famine, joblessness and correct historical injustice is genuine land reform and national industrialization. Not WTO and imperialist globalization!

***LAND! FOOD! JOBS! NOT IMPERIALIST PLUNDER! GET OUT OF WTO!
FIGHT IMPERIALIST GLOBALIZATION! JUNK WTO!
UPHOLD NATIONAL PATRIMONY! OPPOSE IMPERIALIST PLUNDER!
STRUGGLE FOR GENUINE LAND REFORM AND NATIONAL INDUSTRIALIZATION!***