

## BLOG

Jean-Yves LeFort, Trade Campaigner at the Council of Canadians, was in Hong Kong, China for the World Trade Organization (WTO) Ministerial meetings from December 13-18, 2005.

---

by Jean-Yves Mon 19/12/2005 12:23 p.m. EST

### Final blog

By now, you probably know that the Hong Kong Ministerial is over and a “disappointing” deal was signed. Personally, I think the WTO members gave themselves a reprieve. They have one more year to complete the thing or it would have been lights out for the Doha Development Round. You already know how I feel about it. The word “development” doesn’t belong in the title. It is all about prying open new markets and consolidating corporate-friendly rules.

All right, no good for developing countries. How about for Canada? Paul Martin said it was good news for Canadian farmers, didn’t he?

If you believe that, I recommend that you visit the website of the [National Farmers Union](#). The European Union and the United States promised to end export subsidies by the year 2013. First, a lot of family farms will disappear between now and then and second, the EU and U.S. are going to shift their money into other categories of subsidies (see [Agriculture fact sheet](#)). The overall level of support for corporate farming will not go down and may actually be increased with the proposed numbers. If that weren’t bad enough, there is language in the agreement that could spell the end of the Canadian Wheat Board. Our government says that, in their interpretation of that fuzzy language, the CWB is safe but needs tweaking. The Europeans, in their interpretation of the same fuzzy language, are satisfied that the CWB will be a goner by the time they end their export subsidies in 2013.

What about services? Jim Peterson said that Canada has a strong service economy and this new annex would be good for us. In Hong Kong, they agreed to accelerate and broaden the GATS negotiations. As I mentioned in a previous blog, the pressure will be increased to put new offers on the table. What kind of offers? Let me list a few that are of interest to the Americans and the Europeans: water, health, education, culture, and environmental services. Need I say more?

Like most activists who follow the WTO follies, I was hoping this was going to be a case of “three strikes and you’re out!” Strike one was Seattle, strike two was Cancun and strike three would have been Hong Kong. It didn’t happen. Hong Kong was a foul ball. It didn’t get them anywhere but it gave them one more kick at the can. What comes next is uncertain. It is doubtful that another big formal Ministerial will be called in 2006. For one thing, who would want to host it? The negotiators will most likely now work out of Geneva at the headquarters of the WTO. The Ministers will come in once in a while at key moments without much fanfare and, they hope, little protest. As for Canada, let’s use the election to send the next Trade Minister a little message:

You are an elected official who represents ALL of the citizens in this country. You ARE NOT (ok, you are but you shouldn’t be) the mouthpiece for the Canadian Council of Chief Executives and the Chamber of Commerce. The WTO is in trouble, The FTAA is dead and NAFTA is not worth the paper it is written on. In 2006, [can we have a new trade strategy?](#) Please?!?

JY

---

by Jean-Yves Fri 16/12/2005 12:48 a.m. GMT+8

#### Day 4

Now it is getting interesting. Bleary-eyed trade ministers are staying up until the wee hours of the morning for prolonged negotiation sessions. "Break them down and wear them out and we will get a deal," they seem to be thinking.

So the question on everyone's mind is: will they have a deal or not? Let me give my opinion on that -- but keep in mind that I am pretty bleary-eyed myself, having slept a total of five hours in the last two days.

In November, I argued that this Ministerial would not be a success like Doha, or a failure like Cancun. It would be an "announced failure" that they would sugar coat into a "minimal success." Basically, I thought they would sign a face-saving document and push for a deal before the end of 2006. They must complete the Doha Development Round by the end of 2006, or it will never happen.

Anyway, I don't think they can get it done. The negotiation boils down to this: rich countries are trying to force a bad trade deal onto developing countries, and all they have to offer are temporary charity dollars. This is supposed to be about balanced trade rules, not development aid and charity.

The major problem areas have not been addressed. The EU and the U.S. will continue to offer huge subsidies to their agricultural industries. The cuts that they have proposed are cuts in what they are permitted to do, not what they actually do. Their ceilings are so high, that they can announce a 40 per cent cut and still subsidize to the same level. The problem is that the current levels are already driving small farmers off their land all over the world.

The U.S. tried to fix the cotton issue (see [agriculture fact sheet](#) for details) by bribing African countries instead of eliminating huge and illegal cotton subsidies. Africans reacted by saying they would block an agreement if need be.

The "development package" is a farce. The Least Developed Countries (LDCs) don't mind being helped but they would like the help to be consistent and predictable. What is offered now is a one-time promise of conditional aid. The condition is: "I give you money, you do what I say." Not very hard to turn down, in my book.

No deal is better than a bad deal, as they say.

JY

---

by Jean-Yves Thurs 15/12/2005 12:46 p.m. GMT+8

#### Day 3

I feel bad for Pascal Lamy. No really, it must be difficult to be the new head of what seems to be a failing organization. The former head of the EU Trade Commission is now a sort of glorified bureaucrat as DG of the WTO. Worse yet, his successor at the Trade Commission is the sort of

petulant arriviste who doesn't look capable of getting the job done. Then again, Lamy never got the job done either.

I went to a briefing for NGOs by a high-level Brazilian official yesterday. He was very forthcoming, contrary to the Canadian negotiators whose purpose, it seems, is to achieve the most minimal substance with the maximum number of words. But I digress. The Brazilian official said something interesting to the effect that the WTO has changed a lot since the 5th Ministerial in Cancun. For one thing, two developing countries, India and Brazil are now part of the QUAD, the inner circle of power at the WTO, along with the U.S. and E.U. They displaced Canada and Japan in that informal executive role. It is only fair because of the size of their populations and economies. Furthermore, the two Ministers from Brazil and India, Celso Amorim and Kamal Nath, are so strong that they make our own Jim Peterson look like an intern on his first day on the job. This being said, I apologize to interns all over the world who don't deserve to be associated with that level of incompetence. But I digress again.

The point is that the WTO was not built for fair negotiations and that is why things aren't moving. It was built to consolidate the power of the rich over the poor, of the North over the South, of corporations over people. Now the power balance has changed and the privileged see the possibility that they might lose a round if not the entire game. So what do they do? They throw a fit, they threaten, they try to buy off the weakest to divide and conquer, OR they negotiate "for real," and come to a balanced agreement. Some people believe that the last scenario is possible and that the WTO can be reformed. The other possibility is that the powerful, out of bitterness and spite, will sabotage their own creation. Either way it would be an improvement over the current situation.

I'll close with a final comment from the Brazilian official:

"We don't live in a fair world. A fair world is what we have to fight for."

JY

---

by Jean-Yves Wed 14/12/2005 10:47 a.m. GMT+8

## **Day 2**

Quickly now, what is the difference between "shall" and "should?" When your stated goal is to eventually privatize all services, including public services like health, water, education and culture, it makes a heck of a big difference.

If you listen to media reports on the Hong Kong meeting, you would think that the whole thing is about agriculture and reducing the ridiculous subsidies the U.S. and the E.U. give their agri-business sector. Well, maybe not!

What appears the rich countries want is a deal on services and they are happy to put off agriculture and industrial tariff negotiations until later next year. Sadly (please read sarcasm here), the GATS or services talks have not been going well since they were launched in 2000. Because the negotiations were based on the idea that countries could offer up only what they want for liberalization and privatization, and only a trickle of offers have come forth.

Back to "shall" and "should." Because things are going so slowly, rich countries, including Canada, decided to push for a change in the way the entire GATS is negotiated. The draft text in

Hong Kong calls for a "plurilateral approach" to negotiations. In a nutshell, "friends" of a particular service sector get together, write the rules, and then "request" that a targeted country negotiate. The text says that when a country receives a request, it "shall" join in, meaning in legal trade jargon that you HAVE TO join in. If they were to change the text from "shall" to "should," that would give countries that receive the offer the option to refuse.

Think of it this way. The schoolyard bully comes to you and says: "Give me your lunch money!" You say "no," run away and hope you have a fighting chance. However, 15 minutes later, the big ape comes back with five of his equally ugly friends and they surround you. Now, you are stuck and you have to give away your lunch money.

For those of you who may have gotten lost in the metaphor, lunch money equals public services. Tragically for us proud Canadians, the government of Canada, in this particular story, wants to keep the "shall" and refuses, for the moment, to change the "should" in the draft text. Yes, our government is a big ape!

I'll keep you posted.

#### AN EXTRA NOTE

In case it did not make the news in Canada, 200 Koreans jumped into the cold waters of the Hong Kong harbour after the protest march. No, it wasn't because they were too warm from the walk. Their goal was to show that we need to sink the WTO. Yeah Koreans!

Thank you,  
JY

---

by Jean-Yves Tues 12/12/2005 11:05 a.m. GMT+8

#### Day 1

As everyone tries to get over some form or another of jet lag, one is confronted with a stark reality. A WTO Ministerial meeting brings about its fair share of, well, meetings. I am not referring to the ones inside the convention centre where the governments of 148 countries are discussing trade, but all of those encounters with other civil society groups on the outside to plan and strategize. A good eight hours of my day yesterday was spent sitting on my rear end with other members of the Our World is Not for Sale coalition as we tried to figure out the best way to help derail the 6th WTO Ministerial meeting. This is not exactly swash-buckling stuff but it is exciting in its own particular way. I am working with people from all over the world, all united by vision of the world that is much different from the one the WTO would impose on us.

Already marches and actions have been prepared to show to the world that the WTO's agenda is not a people's agenda and that the Doha Development Round is not about development. Kamal Nath, the Minister from India, said it best yesterday when he observed: "this is not a development round, it is a suicide round." He was referring to the fact that the European Union and the United States are once again playing games. They say that they must win on all fronts or there is no deal. Since 2001 in Doha, they have made promises, they have broken those promises and now, in Hong Kong, they want major concessions in exchange for new empty promises. This is not a game poor countries are likely to win.

All of this has made for a rather strange mood as the Ministerial opens. A lot of observers are openly contemplating the failure not only of this meeting, but even perhaps the entire Doha round. This would greatly reduce the power of the WTO for years to come. Based on results, it is well deserved.

Jean-Yves