

WTO draft: Poor get the short shrift again

SHEILA MATHRANI

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ZURICH: There is much dissent among WTO members — but not yet open revolt — with much criticism being received by members about the draft framework text presented by the DG of the WTO, Supachai Panitchpakdi, and the Chair of the General Council, Dr Panerjee.

With the deadline of end-July imposed by the WTO for the finalisation of a draft framework accord on restarting the Doha negotiations which failed in Cancun, Mexico, nearly a year ago, much pressure is being imposed on the developing countries who have serious criticisms about the draft text, particularly the annexure on agriculture.

The developing countries protest that it is biased towards the trade-majors, particularly the US and the EC and ignores the concerns of the developing countries. The draft favours the US and EC approaches in agriculture, non-agricultural market access, and the launching of the negotiations on trade facilitation.

The special and differential treatment for developing countries has been ignored, as also the developing countries demands on implementation which was in the Doha development agenda.

The African cotton initiative and the demands of the African countries to eliminate the subsidies over a short period of 3 years has been rejected. The Derbez text, which was not acceptable in Cancun is now the base of the NAMA annex.

It is reported that the US has already begun exercising pressure on some developing countries to agree to the outline text. The lynchpin of the framework is agriculture but the draft prepared by the Chair of the Agricultural Special Session, New Zealand ambassador Tim Groser has managed to please the US by creating a new blue box which can take the counter-cyclical payments the US gives to its farmers.

In agriculture, the US and the EC viewpoints and interests have been taken care of on domestic support. The text proposed the blended formula in market access in agriculture, to be negotiated, and taking different tariff structures of developed and developing countries a formula that the poor countries already rejected earlier.

This draft has come in for much flak by the civil society such as Oxfam, Institute for Agriculture and Trade Policy, SEATINI (South and East African Trade Negotiations Institute), and others who feel that the text is very unbalanced, and state that it is better to have no text than a text that is bad.

Chandrakant Patel of Seatini quotes Prof Joseph Stiglitz at Unctad recently as saying that “it’s better not to have any round than a bad round.” Patel adds that there is nothing sacrosanct about the date of July 30.