

What Geneva trade talks should really be about

Anthony Rowley, Tokyo Correspondent
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FREE trade is widely held to be a good thing, but few 'free' things come without cost, hidden or revealed. This is at the heart of the argument among 35 trade ministers from around the world gathered in Geneva this week to make a last-ditch stand to save the WTO Doha Round from oblivion. Before encouraging them in their seemingly noble endeavour, it is as well to think through the implications of freeing up all global trade.

The argument in Geneva is essentially about liberalising trade in agricultural produce (although there is also the issue of non-agricultural market access to be dealt with, relating to modalities for subsidy and tariff cuts). Stirring calls for reform of agricultural trade are likely to be heard, with some ministers invoking the need to end the current food crisis and to prevent the global economy from slipping into recession.

Neither of these arguments carries much weight. Research has shown that it takes several years, or even a decade, for trade liberalisation to stimulate agricultural output, and many people in the developing world could starve if we wait for such reforms to solve the food crisis. Likewise, it is not the absence of free trade so much as the bursting of a financial bubble that threatens global economic recession now.

Is free trade in agriculture in fact desirable as an end in itself (as distinct from being a means to get developing nations to open up their manufacturing or service sectors to trade and investment from developed economies)? There are many arguments - cultural, ecological, and even economic - to suggest that it is not, and yet these rarely get heard in the ideological clamour for free trade.

It is surely absurd to argue that agricultural produce is just another commodity to be dug out of the earth like copper or iron ore, or even oil, and shipped half way around the world for processing. Even leaving aside the question of whether meat, fruit or vegetables (grain is an exception) can possibly retain their quality after containerised journeys by land, air or sea, the adverse impact of globalised trade in agricultural produce on the land and upon rural lifestyles tends to be ignored.

Global trade demands a global approach to the production of foodstuffs. It requires capital-intensive farming and large-scale farms. It results often in inhumane treatment of animals and it requires intensive use of land-damaging chemical fertilisers. Last but not least, globalised agriculture laughs at the concept of people being 'in touch with the land'. It scorns the need to preserve balance in ecology or in man's relationship with animals and nature.

Given the sensitivity of environmental groups nowadays to planet-saving issues, it is astonishing that the free-trade argument is still able to preserve a cloak of respect when it comes to issues of agriculture.

Japan, for one, strives to remind the rest of the world of the need for agriculture to be seen as part of a country's culture and its relationship with nature, rather than as a global industry. The Japanese have what can best be described as a reverent attitude towards agriculture, based perhaps on the fact that Shintoism imbues every tree and stone with a spirit and does not take man as the centre of the universe. But Japan's arguments are of little avail in World Trade Organization (WTO) negotiations where the cry of 'protectionism' is used to stifle debate.

One reason bilateral free trade agreements (of which there are now some 250 around the world and roughly 100 of these in Asia) have gained appeal over the multilateral process in recent years is not because of slow progress in concluding the WTO Doha Round, which has now been seven years in the making. It is because free trade agreements allow the parties to these bilateral accords to skip sensitive areas such as agriculture when it comes to trade concessions.

'Purists' cry foul at such exemption and cite them as breach of the General Agreement on Tariffs and Trade (GATT), which was the forerunner of the WTO and which required that 'substantially all' trade be included in a free trade agreements.

But the GATT was founded in an era when the concept of global trade was much narrower than it is today. It is a concept which badly needs to be re-thought, not least because of the environmental impact of creating farming 'factories' that cater to global demand at the cost of the land and the people who till it.

This is what the Geneva debate this week should be all about, rather than a desperate bid to push through ill-advised trade liberalisation.