

G20: Not Representing Farmers Interests

Response to the G20 Ministerial Meeting in Pakistan (8-10 September 2005)

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The next Ministerial Meeting of the G20[1] will be held in an exclusive hill resort off Islamabad from 8-10 September 2005. The Islamabad meeting is important for several reasons. It follows the unsuccessful WTO GC (General Council) meeting in Geneva in July 2005. Pascal Lamy assumes office as Director General of the WTO from September and will begin intense consultations with groups such as the G20 for a Draft Hong Kong Declaration, which he will attempt to have ready by the next GC meeting in October 2005. Agriculture has the potential to make or break the Doha round and the G20 will play a central role in this drama.

The emergence of the G20 before the Cancun Ministerial (2003) raised some hopes for a better deal for the third world but this has been belied since. A significant failure has been the inability of the G20 to fundamentally question the approach underlying the Agreement on Agriculture (AoA) that privileges the export led model, permits protection in the developed north and opens markets in the developing south. Despite their rhetoric of representing third world farmers the group has failed to respond to the concrete demands of agrarian communities (on whose behalf they claim to be negotiating), get tangible commitments from the EU and US on the elimination of trade distorting subsidies and provide market access for commodities from the south.

The G20 has succumbed to the machinations of the US and EU and its 2 influential members, India and Brazil, have joined the Five Interested Parties (FIPs) with developed nations such as the US, EU, Australia. The FIPs role is mainly to broker a deal for increased market access for agribusiness interests in both the developed and developing world. The infamous green room process is being sanctified with the FIPs and its first contribution, the anti-development July Framework, is now the primary driver of the Doha round.

The G20 has failed to project a clear distinction between 'corporate agriculture' of developed countries and 'sustenance agriculture' of developing countries as an important component of the negotiations. The G20 proposal for reduction of subsidies by the developed world is fraught with fallacies. It is well known that agricultural subsidies given by the EU under the CAP (Common Agricultural Programme) will continue till 2013 and cannot be withdrawn before that. Moreover US subsidies under the 2002 Farm Bill is for a period of 10 years i.e. till 2012. So irrespective of the G20's heroic rhetoric, there will be no reduction in subsidies at least till 2012. Even the G20 demand on export subsidies grant developed nations 5 years for elimination. This means that upto 2011 (from Jan 2006), export subsidies will continue. According to an FAO estimate, more than 2.5 billion people in the developing world are dependent on agriculture for their livelihoods. What happens to them if subsidies continue till 2012-13?

On the cotton issue, the G20 has failed to get a firm commitment from the US for withdrawing

subsidies to its cotton growers as well as other export credit guarantees benefiting other commodities. Moreover, the US has not taken any action on the WTO DSB (Dispute Settlement Body) ruling to reduce subsidies to cotton farmers.

Rather than highlight fundamental issues confronting farmers and agricultural labour the G20 has focused on the narrow subject of market access. In July 2005 the group proposed a market access formula for tariff reduction (a middle ground between the Swiss and Uruguay round formulae), which has been widely accepted as a basis for further negotiation. This proposal calls for a banded approach to tariff reductions with 4 bands for developing and 5 for developed countries. Each band would be subjected to a linear tariff reduction approach with overall caps on high tariffs differentiated between developed and developing countries. Market access will primarily benefit agri-business interests in countries like Brazil and will do little to solve the agrarian crisis in the south. The G20 is today playing the role of a new developing country CAIRNS group[2]. It is well known that the Brazilian agriculture minister is a big champion of agri-business and lobbies like the Soybean Export Association in Brazil play a substantive role in informing Brazil's and therefore the G20's positions on market access.

Despite the G20 focusing on market access, Sanitary and phytosanitary (SPS) measures and technical barriers to trade (TBT) are frequently used by developed nations to stop imports from developing countries. Moreover protection of sensitive and special products is allowed for developed nations and they can now term certain commodities sensitive and thereby deny market access. Further, the developed world also uses Special Safeguard Measures (SSM) to restrict imports from developing countries - Canada reserves the right to use SSM for 150 tariff lines, EU for 539 tariff lines, Japan for 121 tariff lines, US for 189 tariff lines and Switzerland for 961 tariff lines. On the other hand only 22 developing countries can use SSM.

The G20 demands for operationalising the instrument of Special Products (SP), as a protective measure to check import surge will not be useful for the biodiversity rich south. For example India cultivates hundreds of crops in a year whereas Europe does not grow more than 25. It will be possible for Europe to get a dozen or so products classified as sensitive. But it is well nigh impossible for India and other biodiversity rich developing countries to get this status for over 100 crops. Hence this would not render any protection to small farmers from import surges. The G20 along with the G-33 (The coalition on Special Products and SSM) should demand complete flexibility to declare any products as SP and use SSMs whenever they feel threatened with import surges and dumping.

The G20 has also failed in reclaiming the right to reinstate Quantitative Restrictions (QRs) to protect the interest of their agricultural producers, while developed countries have evolved a clone of the QR system in the form of Tariff Rate Quota's (TRQ's), where a fixed volume of imports is allowed at a lower tariff rate and beyond that level, imports are allowed only at prohibitive tariffs. Claiming and justifying the right to use QRs is an important policy mechanism to protect agrarian communities from subsidised imports. Reinstating QRs will provide developing countries a space for exploring and working out appropriate strategies for national development that protect the interests of their agricultural producers.

The G20 has not yet got a commitment from developed nations especially the US for the mandated review of the Agreement on TRIPS as well as its revision to exclude Patent on life and indigenous knowledge and resources.

The EU and US are exerting enormous pressure on the developing world to agree to their framework for negotiations while not showing any commitment in reducing their levels of direct and indirect subsidies. Meanwhile they expect developing countries to concede in NAMA (Non Agricultural

Market Access) and services. The US has recently put pressure on India to bring down tariffs to the existing applied rates and close the gap between bound and applied rates.

PROTESTS AGAINST THE G20 CONTINUE:

Over 50 groups in India comprising farmer unions, social movements, dalit groups, trade unions, NGOs, women groups and students came together during the March 2005 G20 ministerial in Delhi and submitted a memorandum to the G20 demanding the rejection of the July framework as the basis for agricultural talks, reclaiming the right to use QRs, the launch of a collective exercise to promote agricultural trade among developing countries outside of the AoA and the need for the G20 to be transparent in the negotiations and take agrarian groups into confidence in all stages. On the eve of the ministerial thousands of farmers from across India under the banner of the Indian Coordination Committee of Farmers Movements marched in the streets of Delhi demanding that the agriculture be removed from the purview of the WTO.

Farmers groups in India continue to mobilise against the WTO and the G20 in the run-up to the Hong Kong Ministerial and beyond. On August 9 2005 (observed as Quit India day against British colonialism) they held protests and burnt copies of the AoA in nearly 200 districts across the country and sent a memorandum to the Indian Prime Minister demanding that Agriculture be kept out of the WTO.

On 23rd August 2005, the National Convention of Farmers and Agricultural Workers held in New Delhi launched the Save Agriculture-Save India campaign. This was an important initiative that brought several farmer unions on a single platform. The convention demanded that the Indian government ensure that there be no further commitments on agriculture unless the US and EU stop dumping their subsidised produce in the international market, reduce their tariff rates and eliminate subsidies. The meeting called for the Central Government to immediately produce a white paper on the India's position towards the Hong Kong Ministerial. The campaign resolved to take this message to all parts of India from September 2005 onwards.

Another protest is planned on 2nd October 2005 (birth anniversary of Mahatma Gandhi), in the city of Mumbai, organised by Indian Coordination Committee of Farmers Movements, where thousands of farmers will converge from every state in the country to join a massive march to the Mumbai port against the surge in imports of subsidised agricultural commodities.

Pakistani organisations are taking the initiative to organise a 'Peoples Forum' in Islamabad, parallel to the Ministerial, on the same dates. It is essential that G 20 delegates be reminded they are accountable to the people of their countries especially the farmers and all those who are excluded, marginalised and often forgotten in the backroom deals and manipulations that constitute WTO 'negotiations'.

[1] Led by Brazil and India, the G20 has become one of the most important groupings in the WTO negotiations since the Cancun ministerial in September 2003. As of August 2005 the group comprised of Argentina, Bolivia, Brazil, Chile, China, Cuba, Egypt, India, Indonesia, Mexico, Nigeria, Pakistan, Paraguay, Philippines, South Africa, Tanzania, Thailand, Venezuela and Zimbabwe

[2] The Cairns Group was founded in 1986 in the Australian city of Cairns. The group is led by Australia and comprises 15 agricultural exporting countries that have aggressive market interests

and are opposed to farm subsidies. The group is no longer a major player in the agricultural negotiations since the emergence of the G20.

P.S.

For more information on the Peoples Forum on the G20 in Pakistan write to Tahir Hasnain at [tahir thenetwork.org.pk](mailto:tahir.thenetwork.org.pk)

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