



Global Agriculture: How much liberalisation is needed?

**The negotiating positions in the current WTO
agriculture negotiations.**

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Cover photograph:

Market in Myanmar, Photo by Swissaid

Impressum

InfoResources Focus is published three times a year in English, French and Spanish. It is available free of charge and may be ordered in pdf format, or as a print publication from the address below.

InfoResources consists of three information services: *InfoForest*, *Infoservice CDE* and *InfoAgrar*. It is a network that supplies and spreads information on natural resources and international cooperation. *InfoResources* is funded by the Swiss Agency for Development and Cooperation (SDC).

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The WTO agriculture negotiations in brief

The significance of the WTO agriculture negotiations for developing countries

The industrialised nations spend US\$ 50 billion per year on development cooperation. At the same time they subsidise their own agricultural sectors with a total of US\$ 350 billion per year. This comparison highlights the great significance that the reform of the international agricultural trade system has for developing countries. A reduction of subsidies in the developed nations would substantially improve the developing countries' options for exporting their own products or even selling them on their domestic markets.

The Ministerial Conference of the World Trade Organization (WTO) held in Cancún in September 2003 proved that the developing countries have begun to voice their demands more clearly than before. However, the Conference also showed that it will be very hard to reach an agreement in the agriculture negotiations. Positions differ not only between industrialised and developing countries, but also within these groups and even within single countries. The present text attempts to summarise these positions from a neutral perspective.

Cornerstones of the negotiation process

The ongoing WTO agriculture negotiations began in January 2000. They were planned in the 1995 Agreement on Agriculture as a continuation of already initialised measures for liberalising trade in agriculture. Since the beginning of the current negotiations, the WTO has held two Ministerial Conferences. The Doha Conference in November 2001 put the mandate for agriculture negotiations into concrete terms and set a timetable for their conclusion. The following Ministerial Conference in Cancún in September 2003 also had a clear objective with regard to agriculture: the nations were to submit detailed drafts of their liberalisation commitments in compliance with modalities previously agreed upon. This project failed, as an agreement on concrete modalities proved impossible due to irreconcilable differences of opinion regarding content. According to the timetable the negotiations on all issues should be concluded by 1 January 2005. Since Cancún, however, this deadline has been widely questioned.

The most important issues

Market access

A major concern is the reduction of import tariffs on agricultural products. These tariffs differ, depending on the products. Moreover, there are so-called "tariff quota", meaning that tariffs are lower for a certain portion of the total volume of a product imported. In particular, the negotiations deal with the following questions: By how much, and how fast, shall tariffs be reduced? Should the different tariffs on different products and in different countries be standardised? Should the tariff quota be increased, and how can they be managed in a more transparent manner? Does it make sense to maintain a so-called "special safeguard clause" that enables states to

impose temporary restrictions on import in order to protect their economies against sudden fluctuations in product prices or quantities?

Domestic support

Domestic support means any form of subsidy to domestic agriculture. In WTO terminology, these subsidies are subdivided into three "boxes". The "Amber Box" comprises all trade-distorting support measures, particularly those influencing prices or production quantities. The "Blue Box" equally comprises trade-distorting support measures, which, however, oblige farmers to restrict production in return for subsidies. The "Green Box" comprises support measures that have no, or minimal, trade-distorting effects, such as product- and price-independent direct payments to farmers, and programmes to the benefit of environmental protection or regional development. According to the existing rules, subsidies categorised in the "Amber Box" must be reduced, while those categorised in the other two boxes do not. The current discussion concerns the extent and pace of support measure reductions, as well as the question of which measures are to remain acceptable.

Export subsidies

This term comprises measures that help reduce export prices or otherwise promote the export of agricultural products. Along with direct subsidies, other measures such as subsidised export credits, privileges for state trading enterprises, and food aid can have the same effects. The following questions are particularly controversial: By how much and at what rate should export subsidies be reduced? Which products are to be given priority? Which rules are to be set up for other measures that have a similar impact?

Special and differential treatment

Under this heading, also known as the "Development Box", the negotiating parties discuss special regulations for developing countries designed to help them achieve goals such as higher food security and rural development. The discussion revolves around two pivotal questions. To what extent must the industrialised nations reduce trade barriers to the special benefit of developing countries? And to what extent must developing countries be granted options for better protecting and supporting their own agriculture? Another issue under discussion is the question of whether the category of developing countries needs to be further differentiated.

Non-trade concerns

Agriculture has requirements to fulfil that are not directly related to trade. These include aspects such as sustainable rural development, environmental conservation, or food security. The ongoing discussion focuses on the question of how much emphasis is given to these aspects, and whether they require special regulations or whether they can be sufficiently considered within the existing regulations.

The international positions

This section features a brief outline of the positions taken by the main actors involved in the WTO agriculture negotiations. They are grouped in three categories according to their principal viewpoints. Furthermore, important voices among the non-governmental organisations (NGOs) are presented. Finally, a table provides detailed information about the concrete concessions and demands made by three important stakeholders.

Multifunctionalists

The **European Union** advocates further liberalisation of agricultural trade. A convinced multifunctionalist, the EU links liberalisation to the condition of keeping agriculture "multifunctional". This means that agriculture must continue to take into account environmental concerns, rural development, food security, and other consumer interests. According to the EU, even though they are not trade-related, such requirements must not be sacrificed for free trade. On the contrary, they should be promoted, with the aim of reorienting agriculture away from quantitative and more towards qualitative goals. The EU is the biggest buyer of agricultural export products from developing countries. It therefore acknowledges their special needs and is willing to grant them extensive exemptions.

The EU advocates a moderate reduction of import tariffs by the same amount for all countries, and argues for retaining domestic support measures, particularly when they are not linked to production. Export subsidies and measures with the same effects are to be reduced. Developing countries are to be given preferential treatment with regard to market access, along with the opportunity to protect their own markets longer and to a higher degree than the industrialised nations.

The EU attaches concessions in agriculture to further steps of liberalisation in other, non-agricultural domains.

The **G9**, which also includes Switzerland, largely shares the position of the EU. The group is, however, more reserved with regard to tariff reductions, and places a particular emphasis on non-trade concerns.

Many **transition countries** equally support gradual liberalisation, retention of support measures, and consideration of non-trade concerns. They are still in the process of reforming their agricultural sectors and have only recently become members of the WTO.

USA

The USA place their main focus on the opening of global markets to their own significant agricultural export production. They advocate the reduction of trade barriers and the creation of equal conditions of competition for everyone. This viewpoint is based on the underlying idea that an opening of the markets will lead to global growth.

The USA thus advocate a further-reaching liberalisation than the EU. They demand that import tariffs be reduced substantially and in proportion to existing tariffs; in the medium term they envisage a total abolishment of

Not all farm spending is evil. The common objective in the WTO is to reduce all farm subsidies which distort international trade and harm the interests of developing countries. The rest is rhetoric. In other words: We will vigorously defend our right to support our farmers. It is not up to the WTO, or to some of our trading partners to tell us that we have to wipe out European agriculture with all the jobs, the environmental benefits, the cultural heritage our farmers provide. Societies around the world must have the right to choose which public goods and services are important to them and what they want to support. But, of course, this has to be done in trade-friendly way.

Dr. Franz Fischler, Member of the European Commission, responsible for agriculture, rural development and fisheries, press conference before WTO Ministerial in Cancún, Brussels, 4 September 2003

Group of 9: Bulgaria, Iceland, Israel, Japan, Liechtenstein, Norway, Switzerland, South Korea, Taiwan

"A successful conclusion to the Doha Round," (...), "would yield enormous benefits worldwide, especially for highly competitive American farmers and ranchers. That's because the continued success of American agriculture is tied to open markets. We consistently produce far more food and fiber than we consume domestically. As a result, we need access to the consumers in foreign markets." (...)
"Gaining greater access to foreign markets will build a more secure economic future for American agriculture."

Ann M. Veneman, Secretary, U.S. Department of Agriculture, Delta Farm Press, 6 September 2003
www.fas.usda.gov/itp/wto/cancun/wto_b4.htm

Cairns Group: Argentina, Australia, Bolivia, Brazil, Chile, Costa Rica, Guatemala, Indonesia, Canada, Columbia, Malaysia, New Zealand, Paraguay, Philippines, South Africa, Thailand, Uruguay

tariffs. Domestic support measures are to remain an option, however on a smaller scale and with stricter conditions attached. Export subsidies are to be abolished after a period of transition, and export credits are to be subjected to stricter regulations. Further-reaching reduction commitments shall be negotiated for certain products (which, however, are not specified). The USA do support exemptions for developing countries, but restrict them to a few specific domains.

An increase of subsidies to the US agricultural sector in recent years, along with the so-called "Farm Bill", a new law on agricultural support measures passed in 2002, give rise to doubt that the USA genuinely support an extensive liberalisation of agriculture.

Positions shared by the EU and the USA

In order to advance the agriculture negotiations, and at the request of other countries, the EU and the USA published a "Joint Initiative" on 18 August 2003. In many questions the two parties met half-way between their original positions. However, they were unable to agree on several controversial issues, such as the non-trade concerns, the special safeguard clause, and the implementation timetable. Moreover, the document does not mention any concrete figures concerning the various reduction objectives.

Developing countries

The influence of the developing countries on the agriculture negotiations has grown in recent months. However, the developing countries by no means share a joint position. This is mainly due to the large differences between their economic situations. Nonetheless, several larger and smaller groups of countries share the same interests. In some cases these groups overlap. The common denominator among all developing countries may be summarised as follows: they call for a substantial reduction of trade barriers and support measures which exceeds the suggestions made by the EU and the USA, and at the same time they demand efficient exemptions for developing countries to support their development objectives.

The **Cairns Group** is considered part of the developing countries group, although there are also three industrialised nations among its members. The group unites large-scale food-exporting nations and among all international stakeholders most strongly advocates a rapid liberalisation. The group calls for substantial tariff reductions of the same extent as those suggested by the USA. However, it also strongly advocates a massive reduction of domestic support measures and export subsidies — instruments that have detrimental effects on many developing countries and, at the same time, are often out of reach for these countries. Furthermore, the Cairns Group calls for exemptions in all domains for developing countries and in particular for the least developed countries. For example, they demand that developing countries be granted the option of imposing additional tariffs on subsidised products from industrialised nations.

The **G21** partly consists of the same members as the Cairns Group. However, it also comprises other large developing countries such as China and India, and thus represents around 65% of the world's farmers. While the G21's various reduction objectives are within a similar range as those suggested by the Cairns Group, the G21 calls for distinguishing among various product categories: for example, import tariffs are to be more severely reduced on processed goods, where they are often particularly high, and are to be totally abolished on products that to a substantial degree originate in developing countries. Domestic support and export subsidies in developed countries are to be reduced to a greater extent and more rapidly for products with a particular relevance to developing countries. Furthermore, for developing countries the G21 demands less severe reduction objectives and a number of specific exemptions, such as a special safeguard clause allowing for temporary import restrictions, additional options for domestic support, and the definition of certain products on which the developing countries do not have to reduce import tariffs.

The countries of the **African Union** and the **African Caribbean and Pacific (ACP)**, as well as the **least developed countries (LDCs)**, emphasise the significance of rural development and secure livelihoods. Like the other two groups they call for a massive reduction of domestic support measures and export subsidies. However, they are somewhat more cautious with regard to the reduction of import tariffs, as one of their main concerns is to retain the tariff preferences they currently enjoy. They demand that the erosion of these preferences be cushioned by a compensation mechanism. In addition, their export options are to be broadened with the aid of several other measures, such as a programme for improving the supply of agricultural export products, a reduction of technical barriers to trade or support in achieving the respective norms, and tariff-free access to markets for products from LDCs. Furthermore, LDCs are to be generally exempted from all trade barriers and reduction commitments.

Along with these significant groups there are several others who voice specific demands targeted to their respective economic situations. One of the groups that are confronted with a specific problem is that of the **net food-importing developing countries (NFIDCs)**. A reduction of export subsidies as it is generally called for would cause a problematical rise in prices for food import. Therefore, the NFIDCs request a mechanism to cushion such negative effects.

The voices of international organisation

Along with the WTO member states, international government agencies and particularly non-governmental organisations are important participants in the discussions on the international agricultural trade system. Although their positions differ in detail, most NGOs fall in line with the broad alliance of development agencies, environmental organisations, farmers' associations, trade unions and church organisations that are critical of globalisation and the WTO. This alliance strongly questions the legitimacy of the WTO. While it approves of the WTO's multilateral system, it criticises its undemocratic structures and the objective of liberalising trade at any cost.

Group of 21: Egypt, Argentine, Bolivia, Brazil, Chile, China, Costa Rica, Ecuador, Guatemala, India, Columbia, Cuba, Mexico, Nigeria, Pakistan, Paraguay, Peru, Philippines, South Africa, Thailand, Venezuela

"The developing countries participate in the multilateral trading system in the hope that this would lead to their economic development and not because trade liberalisation is an end in itself. The system has to meet this expectation. Effective measures are needed to make trade work as an engine of growth and human development. Given the differences in levels of development and the ability of countries to assume obligations, it is imperative to ensure that equal rules do not apply to unequal players."

Statement by H.E. Mr. Arun Jaitley, Minister of Commerce and Industry and Law and Justice of India, Cancún Ministerial Conference, 10 September 2003

"The WTO talks continue to be driven by a 'you liberalise, we subsidise' approach from the EU and US. Hypocrisy and double standards still rule the day. The EU's impressive rhetoric about a 'Doha Development Agenda' is sounding hollow."

Bob van Dillen, CIDSE: Alliance of catholic development organisations

Overview on the concrete positions of three important stakeholders in the WT

	EU
Market access	<p>Within 6 years:</p> <ul style="list-style-type: none"> • Reduction of import tariffs by an average of 36% and a minimum of 15% • Substantial reduction of excessive tariffs on processed goods from developing countries (DCs) • More transparency in tariff quota management • Retention of the special safeguard clause as a protection against sudden fluctuations of product quantities or prices • Protection of geographical indications
Domestic support	<ul style="list-style-type: none"> • Reduction of all trade-distorting domestic support measures by 55% • Stricter provisions for price-dependent and product-dependent support of export products • Abolishment of exemption clause • Consideration of the DCs' interests • Retention of direct payments under production-limiting programmes (Blue Box) • Retention of non-trade-distorting support programmes in favour of the environment, rural development, etc. (Green Box)
Export subsidies	<ul style="list-style-type: none"> • Reduction of export subsidies by an average of 45%, flexibility with regard to various products, equal treatment of all forms of subsidies • Abolishment of subsidies for certain products that are particularly important for DCs • Stricter rules and more transparency for export credits, food aid and state trading enterprises, to prevent evasion of reduction commitments
Special and differential treatment	<ul style="list-style-type: none"> • Tariff-free and quota-free access to markets in industrialised countries and transition economies for products from LDCs • Tariff-free import of agricultural products from DCs to industrialised countries must account for at least 50% of all imports from DCs • Lesser extent and longer time frame for tariff reductions in DCs, special safeguard clause for DCs • Possibility of domestic support to foster development • Declared commitment to development cooperation Proportion of increase in tariff quota is to benefit suppliers from non-traditional DCs • Exclusive right of DCs to impose export tariffs (e.g. to promote production for domestic markets) • Exemption from reduction commitments for specific support programmes in DCs to the benefit of resource-poor subsistence farmers
Non-trade concerns	<p>The following important concerns must receive due consideration: food safety, labelling, food security in DCs, environmental protection, promotion of rural development, and animal protection</p>

WTO agriculture negotiations (in October 2003)

USA	G21 (proposal does not include any concrete figures)
<ul style="list-style-type: none"> • Harmonisation of import tariffs, maximum tariff of 25% within 5 years, establishment of date for total abolishment of all tariffs • Extension of tariff quota by 20% and abolishment of tariffs within the quota in 5 years, more transparent rules for quota management • Abolishment of import privileges for state trading enterprises • Abolishment of the special safeguard clause 	<ul style="list-style-type: none"> • Reduction of import tariffs depending on the product: by a certain percentage, according to a harmonisation formula, or all the way to zero • Further-reaching reduction of tariffs on processed goods • Abolishment of tariffs on tropical products and products originating mostly from DCs • Definition of maximum tariffs • Extension of tariff quota and abolishment of tariffs within the quota, stricter rules for quota management • Abolishment of the special safeguard clause • Solution to problem of erosion of tariff preferences
<ul style="list-style-type: none"> • Reduction of trade-distorting support to 5% of the total agricultural production within 5 years, establishment of date for total abolishment • No special treatment for direct payments under production-limiting programmes (Blue Box) • Retention of non-trade-distorting support programmes (Green Box) 	<ul style="list-style-type: none"> • Substantial reduction of trade-distorting support by industrialised countries, further-reaching reduction for products with a high degree of support and particularly for export products • Definition of minimum reduction for first year • No special treatment for direct payments under production-limiting programmes (Blue Box) • Limitation of exemptions • Stricter criteria for Green Box direct payments in industrialised countries
<ul style="list-style-type: none"> • Abolishment of export subsidies within 5 years • Stricter rules for state trading enterprises: elimination of export monopolies and financial privileges, more transparency • Ban on export tariffs, exemptions for DCs • Fixation of rules for export credits • Obligatory registration and more transparency for food aid 	<ul style="list-style-type: none"> • Abolishment of export subsidies, with temporal priority given to export subsidies that are of importance for DCs • Stricter rules for export credits, guarantee programmes and insurance programmes to prevent evasion of commitments regarding subsidies; exemptions for LDCs and NFDCs • Prevention of trade impairment through food aid
<ul style="list-style-type: none"> • Proportion of increase in tariff quota is to benefit suppliers from non-traditional DCs • Exclusive right of DCs to impose export tariffs (e.g. to promote production for domestic markets) • Exemption from reduction commitments for specific support programmes in DCs to the benefit of resource-poor subsistence 	<ul style="list-style-type: none"> • Lesser extent and longer time frame for tariff reductions in DCs • Definition of products that qualify for special protection • No increase of tariff quota, and no tariff reductions within the quota, for DCs • Special safeguard clause for DCs • No reduction commitments for DCs with regard to export subsidies allocated to marketing and transport • Extended exemptions for domestic support programmes to the benefit of rural development in DCs
<p>Are not a matter of discussion</p>	<p>Are to be considered, promotion of rural development is one of the pivotal concerns</p>

Oxfam International is one of the big international development organisations. It demands better market access for developing countries and an end to agriculture subsidies in the industrialised nations, labelling such support measures “agricultural dumping”. The poorest states are to be given better instruments for protecting their agriculture against cut-price imports. Oxfam criticises the WTO as being dominated by the double standards of the wealthy industrialised nations, which on the one hand — supported by the World Bank and the International Monetary Fund — urge developing countries to open their agricultural products markets, while at the same time trying to protect their own agriculture by every means.

Greenpeace focuses its criticism of the WTO mainly on the lack of attention given to environmental issues. Within the Agriculture Agreement, Greenpeace also gives priority to sustainable local agricultural production over free trade. Greenpeace states that in free trade the environment usually loses out. Therefore the organisation advocates eco-labels, which, however, are rejected as non-tariff trade barriers by some developing countries. Greenpeace advocates the severest possible trade restrictions in the case of genetically modified organisms (GMOs).

“Europe speaks loudly about social responsibilities, but protects its agricultural market to the extent that world prices are deflated. We have no subsidies and are forced to remove import tariffs as a condition for receiving aid. We are being locked into a cycle of poverty and marginalisation.”

Fiona Black, Jamaican Dairy Herd Services

Via Campesina, an international association of small-scale farmers, sees farmers’ rights and food sovereignty threatened by the WTO agriculture negotiations. Small-scale farmers fight against the obligation to liberalise the agricultural products markets. They demand that agriculture be excluded from the WTO negotiations, and as an alternative suggest the foundation of a sustainable agriculture committee, whose task would be to examine the consequences of trade liberalisation on global food security and to develop solutions for promoting global food security.

In its observer’s statement at the Cancún Ministerial Conference the **FAO** emphasised the importance of agricultural trade for food security, poverty alleviation and growth. However, the organisation states that in spite of the liberalisation efforts undertaken since the Uruguay round, food imports of LDCs and NFIDCs have increased and their exports decreased. Global poverty reduction requires a development in the opposite direction, as 70% of the world’s extremely poor people live in the rural areas of developing countries. The FAO therefore urges the industrialised nations to reduce export subsidies and tariffs on agricultural products imported from developing countries.

Swiss Positions

According to the OECD, around 70% of the income of Swiss farm operations comes from the public purse, which makes Swiss agriculture the most protected worldwide. This contradicts the liberalisation efforts discussed in the ongoing WTO negotiations. Switzerland pursues the objective of a both market-oriented and sustainable agriculture by reimbursing farmers for non-trade-distorting services, such as maintenance of the cultivated landscape or conservation of natural resources. While such measures are permitted within the WTO framework, protection of Swiss agriculture by means of import restrictions is more difficult to justify. It brings Swiss agricultural policy into conflict not only with the liberalisation objectives of the WTO, but also with Switzerland's own development policy objectives. The high protective tariffs hinder exports by agricultural producers in the South to a considerable degree. Moreover, agricultural producers in the South perceive Switzerland's phytosanitary and technical requirements as additional protectionist measures imposed by industrialised countries.

The position of Swiss development organisations

Swiss development organisations stress the fact that agriculture plays a pivotal role in strengthening local markets and fostering employment rates in developing countries. Therefore, the right of developing countries to an independent agricultural policy and the accelerated establishment of sound domestic markets belong to the demands voiced by the Swiss Coalition of Development Organizations.

Another non-governmental organisation, the Berne Declaration, criticises high Swiss protective tariffs on specific products, such as sugar. The organisation demands that the industrialised countries substantially reduce tariffs on processed foodstuffs and completely abolish export subsidies, while developing countries are to be granted the option of imposing tariffs on low-price import products in order to secure their food sovereignty. Furthermore, the Berne Declaration demands that Switzerland advocate these concerns of the developing countries more strongly within the discussions on special and differential treatment.

Both the Berne Declaration and the Swiss Coalition of Development Organizations state the fact that since the WTO Agreement on Agriculture came into effect, predominantly developing countries have opened their markets, while the industrialised nations continue to seal themselves off from agricultural products from the South. Both organisations therefore have a critical attitude towards the WTO and the liberalisation of agricultural trade. They request that the effects of the existing Agriculture Agreement on global food security be analysed in detail before further steps are taken towards the liberalisation of agriculture.

The position taken by Swiss farmers

The Swiss Farmers' Association clearly states its position concerning liberalisation: "A liberalisation of Swiss agriculture that exceeds the national agricultural reform currently in progress would be more than Swiss farmers could cope with."

In any case, seen from the point of view of development policy, Switzerland does "not necessarily need to liberalise."

Peter Niggli, Director of the Swiss Coalition of Development Organizations, quoted in the Tagesanzeiger on 24 February 2003

The Swiss Farmers' Association sees a basic problem in the great difference between quality and production standards — for example with regard to animal protection — in different countries. Comprehensive product declaration including information on quality and production methods is therefore one of the Association's main concerns with regard to the WTO agriculture negotiations. Furthermore, farmers also call for more attention to be given to the precautionary principle. This principle places the burden of proof on the exporting country in cases where an imported product is suspected to have caused damage to human health or the environment. However, many farmers in developing countries consider this a protectionist measure imposed by the industrialised nations.

The "Swiss Coordination for Fair Global Trade" is part of the international alliance of WTO critics. Along with Swiss development organisations, environmental organisations, church organisations and trade unions, this umbrella organisation also includes the Swiss Farmers' Association and the Swiss Association of Small-scale Farmers. Together they demand that trade liberalisation be considered subordinate to the vital role of agriculture in sustainable rural development.

"The Fifth Ministerial Conference failed due to the resistance of the agricultural protectionists from the rich North, and particularly of Swiss official representatives. This was also the reason for failure to achieve the non-agricultural objectives which would have increased the well-being of 95% of the world's population."

Jürg R. Zeller, Director of the Association of Swiss Importers and Wholesalers, Basle, Der Bund, 23 Oktober 2003

The position of Swiss business organisations

Representatives of the Swiss private sector see no alternative to a well-functioning, market-oriented system of global trade. According to *économiesuisse*, the Swiss Business Federation, this is the underlying principle that should govern all other aspects of the WTO negotiations. The Swiss business community is convinced that the planned steps towards further liberalisation will be of great benefit for both developing countries and industrialised nations. Therefore they approve of the direction taken by the current reforms of Swiss agricultural policy, but criticise the slow pace of this process. *économiesuisse* regrets that the failure of the WTO Ministerial Conference in Cancún may now cause the pressure for agricultural reforms to diminish, much to the disadvantage of Swiss national economy. Several other Swiss business organisations made even more pointed statements, holding Switzerland's agricultural protectionism partly responsible for the failure of the Cancún negotiations.

"Therefore growth of industrial small- and medium-scale businesses and small-scale agricultural production is more important than an increase in gold exports by a foreign mining company."

Brigitte Cuendet, Daniel Langenegger and Matthias Meyer, Task Force WTO/Trade and Development, State Secretariat for Economic Affairs (seco), Die Volkswirtschaft 8/2003

Switzerland's official position

Switzerland's position in the WTO agriculture negotiations is determined by the desire for a far-reaching liberalisation voiced by the Swiss business community, on the one hand, and by Swiss farmers' need for protection, on the other hand. The Swiss federal administration makes distinctions with respect to the benefits and disadvantages of planned liberalisation for developing countries. The great differences in production and export structures and the significance of foreign trade, as well as substantial geographic differences, have long divided the developing countries into several groups with different interests. According to the federal administration it is therefore impossible to determine an optimal degree of liberalisation generally for all countries. The Swiss government acknowledges that better market access can create favourable conditions for economic growth. However, the "quality" of growth and domestic economic and social policy is seen as more crucial to poverty reduction than liberalisation per se. In principle, Switzerland

supports the idea that developing countries be protected through exemptions against consequences of free trade that they cannot cope with. However, Swiss government officials point out that it will be extremely difficult to decide which producers are to be considered eligible for such exemptions and which are not. Furthermore, it should be taken into account that such exemptions will send developing countries in a direction opposite the direction taken by the industrialised countries.

Conclusion: Common interests and unresolved controversies

All WTO member states approve of a certain degree of liberalisation in agricultural trade. On the surface they agree that tariffs on agricultural products and export subventions must be reduced. They also agree that domestic support linked to production must be reduced and that non-trade-distorting direct payments as specified in the "Green Box" shall remain acceptable. With regard to the Development Agenda adopted in Doha, no country generally opposes the fact that developing countries must be granted exemptions to protect them from the consequences of an overly rapid opening of the markets.

And yet positions on agricultural issues are so far apart that it is not clear whether the negotiations can be concluded in compliance with the timetable by 1 January 2005. The positions presented above can be summarised in terms of three main controversial issues. First, the negotiating parties disagree on the concrete modalities of tariff, support and subsidy reductions. Who must reduce them how, by how much, and within what time frame? Secondly, there is disagreement with regard to the importance of non-trade concerns such as environmental protection. And finally, opinions are divided in the question of how far-reaching special regulations should be for which developing countries.

The main reason for this struggle over modalities lies in the different pre-conditions in different countries. Production and export structures as well as geographical frame conditions differ not only between developing and industrialised countries but also within each of these groups. Ultimately, every country negotiates according to its own interests, focusing either on better market access and the chance of growth or on national food sovereignty based on trade restrictions.

Recommended reading

The following list features a documented and targeted selection of print documents and internet sites of relevance to the current WTO agriculture negotiations. For easier reading they have been separated in the two groups:

Overviews, Background, Case studies (listed by title in alphabetical order)



Overall view and general context



Case studies

Positions (listed by name of institution or group in order of appearance in the text)



Policies, strategies

Many documents are available online and can be downloaded (accessed on 3 December 2003).

The others are part of InfoResources' documentation.

For more information on this issue and the publications, please contact us by e-mail at: info@inforesources.ch

Overviews, Background, Case studies



State Secretariat for Economic Affairs (seco)

Doha-Runde — Positionen: Landwirtschaft

www.seco.admin.ch/themen/aussenwirtschaft/wto/doha_verhandlungen/unterseite00098/index.html?lang=de

This document presents the agriculture negotiations and the most important issues under discussion from the point of view of the Swiss government



Xinshen Diao, Eugenio Diaz-Bonilla, Sherman Robinson

How Much Does it Hurt? Measuring the Impact of Agricultural Trade Policies on Developing Nations

IFPRI, August 2003

www.ifpri.org/media/trade20030826.htm

Using a model, the authors attempt to quantify the damage caused to developing countries by tariffs and subsidies in the industrialised nations. They advocate a reduction of these trade barriers, with exemptions for the developing countries. At the same time they consider important that the governments of the developing countries, with support from the North, invest more into agriculture and rural development.



Bilal, S., Pezaros, P.

Negotiating the Future of Agricultural Policies

Agricultural Trade and the Millennium WTO Round, European Institute of Public Administration, Kluwer Law International, 2000, ISBN: 90-411-9818-0

Although this book was published in 2000, it contains a lot of background information that remains valuable even after Cancún. In their contributions, twenty experts provide information on the historical background of the WTO agriculture negotiations, the next (i.e. the ongoing) round of negotiations, the main issues under discussion, and the different perspectives of various stakeholders.

World Trade Organization (WTO)

www.wto.org

The WTO website provides comprehensive background information on the issues under discussion, as well as on the ongoing and earlier negotiations. It also provides access to all legal texts, all proposals submitted by WTO member countries, and other official documents.



FAO, Rome

WTO Agreement on Agriculture: The Implementation Experience — Developing Country Case Studies

Commodity Policy and Projections Service, Commodities and Trade Division, 2003

www.fao.org/DOCREP/005/Y4632E/Y4632E00.HTM

Case studies examine the influence of the commitments made in the 1995 WTO Agreement on Agriculture on agricultural policy, trade and food security in 23 developing countries, as well as the priorities and concerns of these countries in the ongoing negotiations.



WTO Agriculture Negotiations: The issues, and where we are now

Information and Media Relations Division of the WTO Secretariat, 15 August 2003

www.wto.org/english/tratop_e/agric_e/negs_bkgrnd00_contents_e.htm

This document gives an overview on the WTO agriculture negotiations, beginning in March 2000. It lists the proposals submitted by the different countries, explains the negotiation process, and presents the various topics and opinions in detail.



Positions



On the following websites the main actors in the WTO agriculture negotiations present policy papers, press releases, speeches and background publications with detailed information on their various positions.

European Union

European Commission on international agricultural trade relations

www.europa.eu.int/comm/agriculture/external/wto/index_en.htm

USA

The World Trade Organization & The U.S. Proposal for Global Agricultural Trade Reform

United States Department of Agriculture, Foreign Agricultural Service

www.fas.usda.gov/itp/wto/

Positions shared by the EU and the USA

Joint Initiative by EU and USA, 13 August, 2003

europa.eu.int/comm/agriculture/external/wto/document/mod_en.pdf

The Cairns Group

www.cairnsgroup.org

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Agriculture – Framework Proposal

Joint Proposal by Argentina, Bolivia, Brazil, Chile, China, Colombia, Costa Rica, Cuba, Ecuador, El Salvador, Guatemala, India, Mexico, Pakistan, Paraguay, Peru, Philippines, South Africa, Thailand and Venezuela

WTO Document WT/MIN(03)/W/6, 4 September 2003, to be found by entering the document number in the following search facility:
docsonline.wto.org/gen_search.asp?searchmode=simple

Oxfam international

What Oxfam wants

www.maketradefair.com/stylesheet.asp?file=01092003075136

Kevin Watkins

Trade, globalisation and poverty reduction: why the rules of the game matter

www.maketradefair.com/assets/english/Kevin_Watkins_Carnegie.pdf

Greenpeace

The 5th Ministerial Conference of the WTO, Cancun Mexico 10–14. September 2003

www.greenpeace.org/international_en/multimedia/download/1/306498/0/q&A.pdf

Via Campesina

www.viacampesina.org/rub_english.php?id_rubrique=131

FAO

Statement by Mr. Hartwig de Haen, Assistant Director-General (speaking as an observer)

www.wto.org/english/thewto_e/minist_e/min01_e/statements_e/st95.pdf

Berne Declaration

WTO – Landwirtschaft, Positionspapier Landwirtschaftsverhandlungen www.evb.ch/index.cfm?page_id=653

Swiss Coalition of Development Organisations

Recht auf Freihandel oder Recht auf Nahrung, Positionspapier zur internationalen Agrarpolitik, dokument, 2/2003

www.swisscoalition.ch/deutsch/files/D_PnDt2.pdf

Swiss Farmers' Association

Positionspapier der Schweizer Bauern zu den laufenden WTO-Verhandlungen

www.bauernverband.ch/de/medien/presse/2003/maerz/24-03.htm

Swiss Association of Small-scale Farmers

World Trade Organisation — WTO — und Agrarwelthandel, Informationen und Stellungnahmen zum internationalen Landwirtschaftsabkommen

www.kleinbauern.ch/Themen/WTO.htm

Swiss business organisations:

Economiesuisse:

www.economiesuisse.ch

Communiqué: Nach dem Misserfolg der WTO-Ministerkonferenz in Cancún

www.economiesuisse.ch/d/content.cfm?upid=D807A8E7-E7BB-4973-B82CFE627CE95B79&type=pdf&filetype=pdf

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Focus No 1/03 : Integrated Water Resources Management (IWRM)