

# **WTO IS DEAD, LONG LIVE FREE TRADE: GLOBALISATION AND ITS NEW AVATARS**

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The Doha round negotiations collapsed once again at the Mini Ministerial in Geneva on 23<sup>rd</sup> July 2006. Martin Khor of Third World Network reports from Geneva that when asked of the Doha Round is dead or in intensive care, Mr. Kamal Nath, India's Commerce Minister, said it is somewhere between intensive care in hospital and the crematorium. Peter Mandelson, the EU Trade Commissioner told the press following suspension of WTO negotiations, "we have missed the last exit on the motorway."

The U.S. is being identified by all as responsible for the collapse of the talks, by its refusal to reduce its agricultural subsidies. The U.S. and its corporations were the driving force behind two agreements of the Uruguay Round, which have the highest impact on the poor of the Third World. The Trade Related Intellectual Property Rights (TRIPS) Agreement has increased the cost of seeds and medicine by promoting monopolies. Thousands of Indian farmers have committed suicides due to debts resulting from a new dependence on costly yet unreliable hybrid and Bt cotton sold by Monsanto and its Indian partners. The Agreement on Agriculture (AoA) has destroyed the agricultural livelihoods of millions of peasants and food security of the world's poor.

The willingness of the U.S. to allow the Doha Round negotiations to grind to a halt by showing inflexibility in offering to reduce distorting farm subsidies in exchange for increased market access is not because agricultural market access is no longer of interest to the U.S. The U.S. does not have to give up anything multilaterally because it is getting market access bilaterally, often with "non-agreements" like the U.S.-India Knowledge Initiative in Agriculture, which is promoting GMOs, agricultural imports and the entry of U.S. giant Wal-mart in Indian retail. Monsanto, Wal-mart and Archer Daniels Midland (ADM) are on the board of the U.S. India Agriculture Initiative.

U.S. AID is interfering directly in India's GM policies and has financed the push to commercialise Bt Brinjal, which would be the first GM food crop approved for large scale commercial trials and seed production in India. While India's biosafety assessment framework has no reference to the unscientific "substantial equivalence" principle (a principle promoted in the U.S. to avoid looking for the unique biological impacts of GM foods), the "substantial equivalence" is the basis of Bt Brinjal data submitted by Monsanto-Mahyco to the Genetic Engineering Approval Committee (GEAC), the statutory body for granting approvals for GMOs. The virus of biosafety deregulation is thus being subtly introduced into India. GMOs are spreading bilaterally without the WTO, which had to be used against Europe in the U.S.-EU GMO dispute.

The U.S. biotech agenda is also being internalized into India's agricultural policy. The Planning Commission, India's highest planning body, headed by Montek Singh Ahluwalia is appointing a non-resident, the U.S.-based Dr. Desh Pal Verma, Professor of Genetics and Biotechnology at Ohio State University, to head a cell to promote GMOs in agriculture and increase the role of global corporations like Monsanto in the farm sector. Bilateral deals are thus mutilating into unilateral policies referred to as "autonomous liberalisation."

U.S. agribusinesses like Cargill and ADM do not need WTO's market access rules anymore to capture India's markets. As part of the Bush-Singh agreement, India has been influenced to import wheat, even though there was enough wheat produced in India. And domestic markets too have been captured by multinational corporations like Cargill, ConAgra, Lever, and ITC. India's food security is being systematically dismantled. Food prices have increased dramatically, and with it, hunger and malnutrition. While being presented as an economic power and the new poster child of globalisation, India now is the home of one-third of the world's malnourished children. And the problem of hunger will grow as peasants are pushed off the land and food prices increase.

In the meantime, corporations like Wal-mart are trying to grab India's retail market, which consists of the small-scale informal sector employing more than 200 million people. Wal-mart is trying to get in to capturing this large market and has succeeded in getting foreign direct investment pushed through in retail. It is also trying to partner with Reliance Industry Ltd (RIL), which is planning to build new super stores in 784 Indian towns, 1600 farm supply hubs, and move the produce with a 40-plane air cargo fleet. The Reliance group has also become the largest land grabber in India, using governments to forcefully acquire hundreds of thousands of acres of fertile farmland at 1/1000<sup>th</sup> the market price. These are the subsidies Wal-mart is seeking through partnerships. And Wal-mart does not need a GATS to take over retail services in India. Bilateral and unilateral policies are opening up India's markets for Wal-mart.

WTO might be on life support, but "free trade" is alive and kicking.

Bilateral and unilateral initiatives are the new avatars of globalisation and free trade. And it is these avatars we must challenge to stop corporate rule, while WTO hangs between intensive care and the crematorium.