Community Aid Abroad / Oxfam Australia

Submission to the Parliamentary inquiry into Australia's Relationship with the World Trade Organisation

August 2000

Definitions:

In this submission, the term ‘the South’ or ‘Southern countries’ is used to refer collectively to the poorer or developing countries of Africa, Asia and Latin America. The term ‘the North’ or ‘Northern countries’ is used to refer collectively to the richer, more industrialised or developed countries of Europe, North America, Japan and of course Australia.

The term ‘least developed countries’ (usually abbreviated to LLDCs) refers to the 48 countries so defined by the United Nations. It is a UN classification for the world’s poorest nations defined according to a range of economic and social indices.

At the World Trade Organisation (WTO), member countries designate themselves ‘developing’ or ‘least developed’ countries, but there is no formal WTO definition of these categories.

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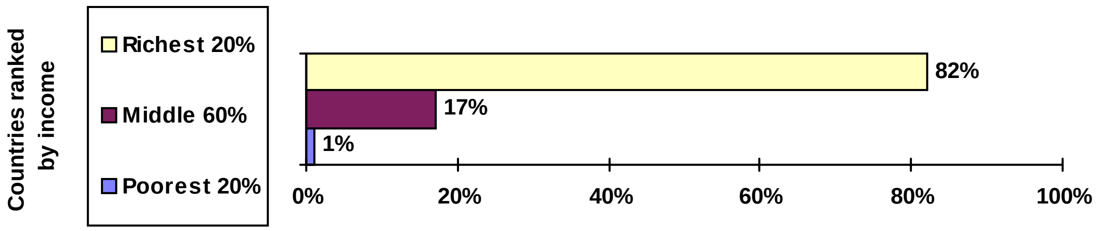
1. Winners and losers from liberalisation

The 1998 WTO Annual Report boasted that growth in world trade had consistently exceeded growth in world income over the past ten years. As a result, trade is becoming increasingly important to prosperity. But within this overall expansion of trade, some countries and communities have fared better than others, while others have seen no benefits at all, or have lost out. **The 48 least-developed countries (LLDCs), home to 10 per cent of the world's citizens, have seen their share of world exports decline by almost half over the past two decades to a negligible 0.4 per cent.** The USA and EU have roughly the same number of people as the LLDCs, yet account for nearly 50 per cent of world exports.[1]

While trade contributes to economic growth, it can also fuel inequalities both between and within countries. Poor countries often lack the human and economic resources needed to compete in world markets; and they face a bewildering array of trade barriers.

Globally, exports and capital flows have expanded phenomenally since the 1980s, yet many countries and people have been excluded from the benefits, and there is evidence that trade liberalisation has contributed to increasing income inequality. World exports, worth US$7 trillion, now account for 21 per cent of global GDP, compared with 17 per cent of a much smaller GDP in the 1970s. Some countries, including China, Turkey, and Korea have been able to take advantage of trade opportunities and have seen their exports grow by more than five per cent each year since the 1980s. At the other extreme, sub-Saharan Africa, where more than half the population live in poverty, has seen its share of world trade diminish and has become marginalised from the global economy.

Figure 1: 1997 Global shares of exports of goods and services



Source: *UNDP Human Development Report 1999*

In countries where market opportunities do exist, poor households are often excluded, because they lack access to infrastructure, credit, land, and education and health services. According to UNCTAD, "in almost all countries that have undertaken rapid trade liberalisation, wage inequality has increased, most often in the context of declining industrial employment of unskilled workers and large absolute falls in their real wages, of the order of 20-30 per cent in some Latin American countries".[2]

A major challenge for the WTO is to generate a more equal distribution of the benefits arising from trade. This will require a shift in the balance of power within the WTO, away from the corporate and political interests of the powerful G7 members towards addressing the needs of the poor and disadvantaged. Liberalisation and economic growth are not ends in themselves. **While the WTO cannot be expected to solve world poverty, its efforts should not be judged solely on the basis of reductions in trade barriers, as is currently the case, but in terms of their contribution towards the achievement of a better standard of living for the majority of people, including the poor.**

Inequality between countries is rising alongside the expansion of world trade. Between 1990 and 1997, global GDP per capita increased at an average annual rate of more than one per cent, yet 60 countries have grown steadily poorer since 1990, and more than 80 countries still have per capita incomes lower than they were a decade ago. More than 800 million people are malnourished, despite an increase of nearly 25 per cent in global food production per capita between 1990 and 1997. The assets of the three richest people in the world are greater than the combined wealth of all 48 least-developed countries, with a population of 600 million.[3]

Inequality is also increasing within countries, as some communities and regions are better placed to take advantage of market opportunities than others. In Mexico, gains from employment and investment created by the North American Free Trade Agreement (NAFTA) are concentrated in the north of the country, with few benefits reaching poverty-stricken regions in the south. The coastal regions of China have attracted the vast majority of trade-related investments in export-processing zones, while the interior benefits only from remittances sent by migrant workers.

Further trade liberalisation, without appropriate complementary measures and a strategy for the wider disbursement of benefits, will exacerbate existing inequalities and damage livelihoods. This is because liberalisation alters the pattern of demand by expanding the international market for exports. But in the absence of pro-poor measures to develop productive capacity, the benefits of global export expansion will remain concentrated among the better-off. Trade liberalisation can also damage the livelihoods of vulnerable producers if they are exposed to competition, often unfair, from cheaper imports. Some developing country citizens may benefit from cheap food imports as a result of agricultural trade liberalisation, however Oxfam International, of which Community Aid Abroad is an affiliate, has documented the devastating impact that these imports can have on vulnerable farming communities in Mexico, the Philippines, and southern Africa.[4]

Supportive international policies, such as aid, debt relief, and technology transfer, are vital to build developing countries' capacity for trade promotion. Such policies can support the investment in physical and institutional infrastructure and human-resource development needed to disperse the benefits of growth more widely. Similarly, national policies must ensure that opportunities to participate in markets are more equitably distributed, through land reform and the provision of affordable credit and marketing services, for example. The income benefits of trade must also be shared more widely through national tax and benefit systems and through the provision of a framework of basic rights which enables workers to bargain for a fair share of the wealth which they help to produce.

Community Aid Abroad works with small businesses, workers' organisations, and farmers' groups in more than 30 counties throughout the world. Many of the communities with whom we collaborate are directly affected by changes in international trade, either as producers or wage earners, and almost all have seen their livelihoods adversely affected to some extent by international trade policies.

Community Aid Abroad believes that trade under the right conditions can make an important contribution to the achievement of the international development targets and the reduction of global income poverty. Trade makes a significant contribution to national revenues and livelihoods in the world's poorest countries. For example, exports account for nearly 30 per cent of GDP for sub-Saharan African, compared with 19 per cent for OECD countries. However, increasing poor countries' share of world markets will require reforms in WTO rules to create greater fairness.

The Australian Government must advocate within the WTO for these changes, which are essential if that organisation is to become genuinely multilateral and reflect the interests of all its members. Will Australia seize this opportunity, or continue to focus narrowly on its own strategic and commercial interests over the needs of the world's poor?

Assessing the development impacts of WTO agreements

Although trade liberalisation can increase competition in markets and increase efficiency, this is not automatic; for example, where market failure allows the formation of monopolies. Moreover, even competitive markets do not guarantee equity nor take account of the costs of environmental degradation. **Further analysis is required to increase understanding of the links between trade liberalisation and sustainable development, with a particular focus on impacts on social and environmental conditions, gender relations, and human rights in poor communities.**

Such research should be pursued independently as well as through WTO mechanisms, and its findings used to inform the direction of future WTO negotiations. For example, the impact of trade liberalisation on poverty could be examined as part of the WTO Trade Policy Review Mechanism (TPRM), on the basis of evidence presented by specialised UN agencies and civil society organisations. **This will require an allocation of resources for on-going collaborative research and a commitment to review existing WTO agreements and design future agreements in the light of the research findings.**

Technical assistance to least-developed countries (LLDCs)

The 600 million people in the 48 least-developed countries (LLDCs) remain largely excluded from the benefits of international trade. Their prospects under a further phase of multilateral trade liberalisation will be bleak unless there is a radical re-thinking of world trade rules. In 1996 the value of all LLDC exports amounted to only US$ 26 billion. Had they been able to maintain their share of world markets at the mid-1980s level, average per capita incomes would be one-seventh higher than at present.

UNCTAD estimates that LLDCs will lose between US$163 and US$265 million in export earnings as a result of the implementation of the Uruguay Round agreements, while paying between US$146 and US$292 million more for their food imports.[5] The former is due largely to the erosion of LLDC preferential market access as overall tariff levels fall,[6] and the latter is the result of higher world food prices resulting from agricultural trade reform linked to the WTO Agreement on Agriculture.

LLDC exports are dominated by a small number of primary commodities. On average, the top three export commodities account for about three-quarters of total exports in each LLDC. Twenty products account for almost three-quarters of the combined exports of all LLDCs. Consequently, export earnings are directly affected by primary commodity prices, which have experienced a steady downward trend and are not expected to recover. Northern protectionism exacerbates these problems. Almost all LLDC exports are raw commodities; for example, coffee and cocoa beans rather than instant coffee and chocolate. **Adding value to these primary commodities through refining or processing is an obvious way to improve LLDC income and employment, but trade barriers in the industrialised countries, which buy the majority of LLDC exports, act as a deterrent.**

Trade liberalisation can affect other policies and governments' overall ability to promote poverty reduction. LLDC governments are often highly dependent on customs duties and income from tariffs, which can account for as much as 80 per cent of their revenue.[7] Substantial trade liberalisation, prior to the introduction of adequate alternative sources of income, can result in budget deficits or major spending cuts. Tanzania, for example, withdrew from the Common Market for Southern and Eastern Africa (COMESA) in July 1999, citing concerns over further reductions in tariff revenues.

Debt is an important constraint on the trade capacity of LLDCs. More than two-thirds of the 48 LLDCs are classified as heavily indebted poor countries (HIPCs) and are burdened by average ratios of debt to GNP that exceed 100 per cent. Debt-service payments consume a substantial portion of LLDC export earnings, diverting foreign exchange from the purchase of essential imports and reducing governments' ability to invest in the social and economic infrastructure needed to take advantage of trade opportunities.

The WTO's attention has focused primarily on 'demand-side' issues, particularly the expansion of export markets. But many LLDCs lack the supply-side capacity to benefit from improved access. In 1997, WTO member countries launched the *Integrated Framework for Trade-Related Assistance* for LLDCs. This aims to provide a tailor-made package of technical and financial assistance to build trade capacity. It is implemented jointly by the WTO Secretariat, UNCTAD, the International Trade Centre, UNDP, the World Bank, and the IMF. Such assistance is important because exporting is increasingly challenging for small and medium-sized enterprises in LLDCs, which need to conform to technical and safety standards as well as consumer preferences in export markets, but lack the relevant information. They also require affordable credit and reliable physical and institutional infrastructure.

LLDCs have criticised the lack of momentum and slow progress made by donors in implementing the Integrated Framework and have called for a renewed commitment to address their needs. As a recent statement by developing countries declared: "*technical assistance should be regarded as a right for LLDCs and an important precondition for meeting their obligations under the WTO agreements. To this end, adequate resources must be provided for technical assistance to LLDCs under the regular budgets of key agencies charged with this responsibility according to their respective mandates*".[8]

Given their relatively low level of development, LLDCs cannot be expected to compete successfully against industrialised countries and other developing countries for export markets, even where they enjoy preferential market access. LLDCs require substantial technical and financial assistance in order to take advantage of new trade opportunities, to adjust to a more liberal trade regime, and to compete against cheaper imports.

The Australia Government should make an increased commitment to allocating resources to help the poorer developing countries to enhance their capacity to engage in international trade, with a focus on measures that benefit labour-intensive, small, and medium-sized enterprises. This technical and financial assistance must be provided as a matter of urgency, if these countries are to be reassured about deriving benefits from further WTO negotiations.

Recommendations – Overcoming inequalities

The Australian Government should:

- agree to support research, drawing on the expertise of specialised UN agencies and civil society groups, to assess the impact of trade liberalisation on poverty and sustainable development, including gender equity;

- make an increased commitment to allocating resources to help the least developed countries enhance their capacity to engage in international trade.

2. Agriculture

"The right to adequate food is realised when every man, woman and child, alone or in community with others, has physical and economic access at all times to adequate food or means for its procurement".
(United Nations Committee on Economic, Social and Cultural Rights, E/C.12/1995/5, Geneva, 1999).

Every man, woman and child has the right to adequate food. This is a fundamental right established in international agreements such as the Universal Declaration of Human Rights. Access to adequate food may be obtained through growing or producing ones own, as most rural families in the developing world do, or through paid employment or trading to obtain the means to purchase it.

The world cannot do without trade in food. Some countries will never be able to produce enough for their own needs, and some will have temporary deficits, while others will be producing more than they need. There is enough food in the world for everyone to receive adequate nutrition provided it is distributed equitably. However some people (including most Australians) get more than they need while others receive less.

The question is then, how should the trade in agricultural goods be ordered so that all people have their fundamental right to adequate food met? How can trade help to redistribute food and incomes so that we all have enough to eat? The trade in agricultural products is of fundamental and critical importance to human welfare, much more so than most other items of trade.

Impact of Northern agricultural subsidies

The international trade in food and agricultural products is highly distorted and manipulated by more powerful trading nations, and in the process the impact on vulnerable populations is neglected.

Governments in Europe and the US may profess faith in free-trade principles, but when it comes to agriculture there is a wide gulf between principle and practice. For decades the US and European Union (EU) have been restricting agricultural imports, subsidising their agricultural producers and dumping highly subsidised surpluses on world markets at prices which undermine other producers, including producers in Australia and in the South - all in defiance of the principle of a 'level playing field'.

The US and EU each spend tens of billions of dollars per year on large and costly systems of protection and subsidy for their farmers. In 1998, total agricultural support in the OECD countries amounted to US$ 353 billion. This vast expenditure is three times greater than total official development assistance, more than twice the foreign direct investment flows to developing countries, and equivalent to almost 60 per cent of total world agricultural trade.[9] On average, Swiss farmers received about $33,000 each in 1998, and farmers in the EU, Japan, and the US received around $20,000 each. These figures compare with average per capita incomes of $228 p.a. in LLDCs in 1996.[10]

The Uruguay Round Agreement on Agriculture did little to reduce or remove these high levels of subsidy by some Northern countries – but at the same time it obliging developing countries to liberalise their markets. The EU dairy industry for example remains one of the most expensive and least competitive in the world but, thanks to subsidies, it has captured half the global market in dairy produce.

In the US and EU these supports encourage almost unlimited production, and the result has been that output has far out-striped domestic demand and large surpluses are created. To get rid of these, the US and EU have resorted to selling them at subsidised rates on export markets. In 1995 for example, according to US Department of Agriculture figures, American corn was being sold on export markets at an average price of US$ 2.96 per bushell when the cost of production (adjusted for inflation) was US$ 3.38 per bushell. And wheat which cost US$ 5.43 per bushell to produce was being sold at US$ 4.56.[11]

This has several effects on Southern producers. To the extent that these subsidised exports can get into Southern markets they unfairly compete with and undercut local producers. Also for Southern agricultural exporters they unfairly eat into their market share, and by depressing world prices, reduce their earnings.

US subsidies and corn farmers in the Philippines

Victor and Isabel Laranjo are farmers living in South Cotabato province of the island of Mindanao in the Philippines. Like many local families, they produce corn and a few vegetables on their two-hectare farm: white corn for their own consumption or local markets, and yellow corn to sell to the animal-feedstuffs industry in Manila. Yellow corn generates the bulk of the household income, providing the means to pay for health needs and education. 'For us', says Isabel Laranjo, 'the price we get for yellow corn is a matter of life or death. It shapes our lives, our health and our future'.

Oxfam International research in Mindanao estimates that corn-producing households like the Laranjos' could see their average incomes decline by 15 per cent by the year 2000, and by as much as 30 per cent by 2004 as a result of cheap US imports following implementation of the Uruguay Round Agreement on Agriculture.[12] Liberalisation will expose vulnerable Filipino farmers to competition with US producers who are able to sell at prices well below the real cost of production, as a result of subsidies provided by the US government. The social costs of trade liberalisation in these villages will be high, as families will be forced to reduce expenditure, for example on their children's education, and seek alternative sources of income.

The Australian Government is well aware of the damage that subsidised agricultural exports from Northern countries can do in the South. The following is from a recent statement by the Cairns Group of agricultural exporting nations of which Australia is a member:

"Export subsidies are the most trade-distorting agricultural policies and damage both developed and developing countries. By depressing and destabilising international market prices, the use of export subsidies by a small number of countries lowers farm incomes in other exporting countries and harms local production in food-importing countries. They undermine environmentally sustainable production methods by farmers in developing countries. Moreover, many developing countries have large, even vast, rural populations making their living off working the land. Export subsidies force them to compete with the richest treasuries, contributing to increased rural poverty, the swelling of overcrowded cities and the promotion of social unrest".[13]

It is clear that in the interest of fair trade and a 'level playing field' agricultural export subsidies should be banned and the trade in agricultural products subjected to the same WTO disciplines as the trade in other goods.

Unsubsidised exports also a problem

The threat to peasant farmers and agricultural producers in the South comes not just from subsidised exports. Exports from countries like Australia which are not subsidised can also have a devastating effect by pushing Southern producers out of their domestic markets.

In a theoretical world in which there were no agricultural subsidies, and all producers both North and South competed purely on the basis of efficiency, many Southern producers would 'go to the wall'. They are not always the most competitive producers. The principle of free and equal competition could mean the loss of whole sectors of the rural economies of some developing countries.

But agriculture provides a livelihood for hundreds of millions of people in developing countries, particularly women who play a crucial role in staple food production. In 1996, agriculture accounted for 73 percent of the labour force in LLDCs (59 percent in all developing countries) and for 36 percent of GDP (14 percent in all developing countries). This compares with the manufacturing sector's ten percent share of GDP in LLDCs. For many developing countries, agriculture accounts for the bulk of export earnings and, despite growing urbanisation, rural areas contain most of the poorest people.

The UN Food and Agriculture Organisation in a recent paper on agricultural development and food security makes the observation that for a large number of Southern countries, the agricultural sector lies at the center of their economies[14]. Agriculture, it says:

- accounts for a large share of Gross Domestic Product (GDP);
- employs a large proportion of the labour force;
- represents a major source of foreign exchange;
- supplies the bulk of basic food and provides subsistence and income for large rural populations.

It concludes that *"significant progress in promoting economic growth, reducing poverty and enhancing food security cannot be achieved in most of these countries without developing more fully the potential capacity of the agricultural sector and its contribution to overall economic development".*

This of course is also one of the aims of Australia's overseas aid program. In March 1999, the Parliamentary Secretary to the Minister for Foreign Affairs, the Hon. Kathy Sullivan MP, said: *"As you know, rural development is one of the five priority sectors for Australia's revitalised development assistance program, which emphasises its key objective of poverty reduction. Since most people in rural areas of our partner countries draw their livelihood from agriculture, then agricultural assistance is an obvious focus in any attempt to tackle rural poverty".* [15]

The 2000-2001 budget papers say: *"In 2000-2001 Australia will spend an estimated $225 million through the overseas aid program to alleviate poverty in the rural farm and non-farm areas………Agriculture (including forestry and fisheries) not only provides food, it is also essential for economic growth and environmental protection. Australia's objective is to reduce rural poverty by increasing opportunities for the poor to generate income. The aid program will continue to support activities that promote farmer-friendly policies and functioning rural markets, which are prerequisites for rural income generation."* [16]

To the extent that Australia's trade policy seeks to win markets in developing countries for products that would otherwise be supplied by domestic producers, it is working at odds with the objectives of the overseas aid program.

For example Australia is a major exporter of dairy products (the third largest, after the EU and NZ) and most of its dairy exports go to developing countries. In 1998-99 Australia exported $2,173 million worth of dairy products, and of this, 77 percent went to destinations in Asia or Africa, where large numbers of poor people depend for their livelihood on dairy cattle and dairy production. To the best of Community Aid Abroad's knowledge there has never been a study of, or even an interest in, what effect these products are having on local producers in the recipient countries.

The agricultural sector in a developing country is far too important for its viability to be dependent on the unthinking self-interested trade policies of other countries, using the power of WTO agreements to force themselves into developing markets. Issues of rural development strategy, food security and the fate of the agricultural sector of a developing country should be determined by its own national government, not by WTO trade agreements. Developing country governments should be allowed sufficient flexibility within the WTO to do so. As the representative of the Indian Government said in July this year:

"For these countries, including India, it would not be possible to accept that the agriculture sector could be treated in the same manner as other sectors in the WTO. One solution, namely free trade and market-based agricultural systems, cannot solve the problems that these countries are facing. Agriculture, for these countries, is too serious a matter to be left to the markets alone to determine. Indeed, the approach that is adopted in the agricultural negotiations for dealing with the problems of developing countries would necessarily have to ensure that agriculture remains a viable sector supporting the vast majority of their population." [17]

The cheap food argument

There is an argument that says that it is in the interest of Southern countries to not protect their own producers, but to open up their markets instead as this will mean cheaper food for the poor. The most efficient and therefore cheapest producers on a global scale will win the market from more expensive local producers and food prices will be lower. The counter argument says that a country dependent on buying food from a foreign producer is in a very vulnerable position and that self-sufficiency is the better policy.

Are cheap food imports good for development; or should developing countries pursue self-sufficiency? These are not questions which can be answered in the abstract. The answer has to take into account the availability of foreign exchange, the capacity of the non-agricultural sector to absorb rural labour, issues of equity and wider social and cultural factors.

In countries such as South Korea and Taiwan, food self-sufficiency has declined dramatically over the past three decades. However, the parallel emergence of a dynamic and highly diversified export base has enabled both countries to purchase imports without undue balance-of-payments pressures, even during periods of high food prices. At the same time, the expansion of employment opportunities has absorbed rural labour displaced from agriculture at rising dramatically increasing income levels. For these countries food self-sufficiency is not a sensible option.

Their experience however stands in direct contrast to that of many of the world's poorest countries. There are now almost 90 low-income food deficit countries. On average, these spend around half of their foreign exchange earnings on food imports, double the proportion of three decades ago. The vast majority are in no position to sustain the purchase of imports on this scale. Acute dependence on a narrow range of primary export commodities, external debt, and reliance upon uncertain aid flows means that it is not possible for them to ensure that food imports can be maintained, even during periods of low world food prices.

In the 1970s a great number of developing countries were able to offset declining per capita food production by increasing imports. In the first half of the 1980s, by contrast, food imports per person fell by 3 per cent as increased debt repayments and declining primary commodity prices reduced the availability of foreign exchange. As a consequence, per capita consumption declined in Latin America and Africa, leading to a deterioration in nutrition.

For urban populations in sub-Saharan Africa, Central America and other regions who have become dependent upon imported foodstuffs, the international market place will remain at best an uncertain source of food security. That is why the Economic Commission for Africa has called for measures to increase self-sufficiency.

There are also wider grounds for a policy shift in this direction. **The fact that predominantly agricultural low-income economies are facing acute difficulties in purchasing the most essential of all commodities, namely food, points to wider development problems.** Most obviously, food imports divert scarce foreign exchange resources that could be directed towards other sectors, suggesting a powerful case for investment in increased domestic production. Increased small-holder production and purchasing power would also have positive effects in terms of poverty reduction, increasing saving and investment level, and creating a more dynamic domestic market.

EU export subsidies and the West African tomato industry

The European Union (EU) is the world's second-largest producer of tomato concentrates after the USA. Under the Common Agricultural Policy, EU tomato farmers are paid a minimum price higher than world prices, which stimulates production. The processors, in turn, are paid a subsidy to cover the difference between domestic and world prices, which amounted to around US$ 300 million in 1997. Twenty percent of EU processed tomato exports go to West Africa, where they account for around 80 percent of regional demand, and are sold at cheaper prices than local products. This competition has resulted in the closure of tomato processing operations in several West African countries.

In Senegal, tomato cultivation was introduced in the 1970s and represented an important opportunity for farmers to diversify production and stabilise income. In 1990-1991, production of tomato concentrate was 73,000 tons, of which part was exported to neighbouring countries. Over the last seven years, however, production has fallen to less than 20,000 tons, with negative consequences for jobs and incomes. One of the main reasons for this fall was the liberalisation of tomato-concentrate imports in 1994. Other West African countries have been equally badly affected. Gambia imports even more concentrate than Senegal, and its consumption is increasingly replacing fresh tomatoes. This damages the livelihoods of local tomato producers, many of whom are women. Ghana, which had three tomato-processing plants in the early 1980s, has now become Africa's largest importer of EU tomato concentrate.

Source: EUROSTEP. Dossier on CAP and Coherence; UNCTAD (1999), The World Commodity Economy.

The counter view, widely used by advocates of trade liberalisation, is that the real challenge is to generate more finance for food imports by having rural populations diversifying into higher value-added exports. The argument here is that the foreign exchange earned from export crop production would buy more imported food than could be produced locally with the same resources. Other things being equal, this is a common sense proposition. The problem, is that other things - notably the distribution of income and productive assets - are not equal.

There are strong reasons for doubting whether poor people's access to food will be improved by export crop production, especially where production and marketing channels are controlled by large commercial farms, or by foreign transnational companies. There is no reason to assume either that increased foreign exchange earnings will raise the incomes of the poor, or for that matter, that it will be used to finance food imports rather than, say, luxury cars or military equipment.

Even if food is imported, there is no guarantee that the poor will get access to it, since this will be determined by their purchasing power. The problem is not aggregate food availability at the national level but at the household level. Poor rural families are often the least able to purchase food no matter how much is available. For them domestic self-sufficiency is a far better option.

The question of the degree to which a country should pursue national food self-sufficiency or rely on export earnings to purchase food imports is not one that has an simple answer. It will depend on the particular circumstances of each country, political and economic, the volatility of world food prices, the availability of foreign exchange and so on.

But once again it is the prerogative of national governments to determine the best approach and not a group of Northern nations acting in their own self-interest and using the collective power of the WTO.

Food security provisions

Community Aid Abroad believes that this right of countries with critical agricultural sectors to retain control of what happens to them, and to protect them if necessary, should be built into any WTO Agreement on Agriculture. It is important to distinguish this type of provision from that allowing Northern exporting countries to protect subsidies in order to gain markets abroad. What we are talking about here are special provisions necessary in order to protect people's right to an adequate livelihood and to adequate food and nutrition.

Any review of the WTO Agreement on Agriculture should involve the inclusion of appropriate food-security amendments, as allowed for under the provisions of Article 20 of the Agreement on Agriculture. This should involve acceptance of the principle that allows developing countries to protect and support their food systems up to the point of food self-suficience for social, environmental or economic reasons – and to plan and implement their own national food strategies and rural development policies.

A 'Food Security Box' should be created with policy instruments that aim to:
- increase food security and food accessibility, especially for the poorest;
- provide or at least sustain existing employment for the rural poor;
- protect farmers which are already producing an adequate supply of key agricultural products from the onslaught of cheap imports;
- allow flexibility to provide the necessary supports to small farmers especially in terms of increase their production capacity and competitiveness.

Recommendations – Agreement on Agriculture

- Agricultural export subsidies should be banned, and subject to the same WTO disciplines applied in other sectors.

- Developing countries should be given the flexibility to protect and support domestic food production and the livelihood of rural populations, via what is frequently referred to as a 'Food Security Box' within the WTO agreement.

3. Intellectual property

Successful participation in world trade is increasingly based on knowledge and expertise. The World Bank estimates that the share of high-technology goods in international trade has doubled over the past two decades, now representing about one-fifth of the total.[18] Developing countries' opportunities to engage in trade are restricted by the trend towards the privatisation of knowledge by Northern companies.

The WTO Trade-Related Aspects of Intellectual Property (TRIPs) Agreement sets out a regime of tight intellectual property protection with which developing countries must comply by 2000, and LLDCs by 2005. In many cases, this will mean widening the scope of national patent laws to include agricultural and medicinal products. The Agreement provides a favourable environment for TNCs, tightening their dominant ownership of technology, while impeding its transfer to developing countries. This has implications for production costs in developing countries and affects the ability of governments to promote essential sectoral strategies.

WTO rules on intellectual property must ensure an appropriate balance between the commercial rights of companies and the rights of poor countries and vulnerable communities to promote key human development objectives. In this regard we note a recent statement by the UN Commission on Human Rights, on the realisation of economic, social and cultural rights, which said:

"Since the implementation of the TRIPS Agreement does not adequately reflect the fundamental nature and indivisibility of all human rights, including the right of everyone to enjoy the benefits of scientific progress and its applications, the right to health, the right to food, and the right to self-determination, there are apparent conflicts between the intellectual property rights regime embodied in the TRIPS Agreement, on the one hand, and international human rights law, on the other". [19]

TRIPs and public health

Access to essential drugs is already a major problem for one-third of the world's population. **In the face of a huge and growing burden of disease in the world's poorest countries, there is a danger that the WTO TRIPs Agreement will increase the price of drugs, making them even less affordable to poor people.[20]**

In most developing countries, less than 10 per cent of the population is covered by health insurance, and more than 60 per cent of the costs of drugs are paid for directly by patients and their families. In contrast, in high-income countries, national health schemes and private health insurance cover more than 90 per cent of citizens and more than 50 per cent of drug costs. The cost of medicines is a significant barrier preventing low-income people, particularly women, from acquiring essential drugs. Many buy an inappropriate, cheaper drug or take less than the correct dosage, or wait days, even weeks, to save enough money for the purchase. Others, of course, just go without the medicines they need. This situation has obvious negative implications for people's health but also for the spread of drug resistance, caused by incomplete courses of treatment.

Developing countries used to reduce the costs of drugs through copying or adapting technologies for use in domestic production. They were able to do this by granting process patents to local companies to produce generic drugs equivalent to the patented product, but at a cheaper price. For example, the price of fluconazole, a treatment for potentially fatal meningitis that is contracted by one-sixth of HIV patients in Thailand, fell from US$14 to US$1 after local companies started its manufacture. Augmentin, a treatment for gonorrhea, costs US$66 in the USA, but US$17 in India as a result of local production.

The TRIPs agreement prevents developing countries from producing affordable drugs by adapting technologies. This renders poor countries dependent on imports from Northern pharmaceutical companies. In a "national emergency or other circumstance of extreme urgency or in cases of public non-commercial use" the TRIPs Agreement does allow governments to implement such practices as:

- *compulsory licensing* - where countries authorise domestic production of a drug that is patented in another country, without the permission of the patent holder; and

- *parallel imports* - where countries shop around for the cheapest licensed producer of a drug, rather than having to buy directly from the patent-holding country.

Both Northern and Southern governments have used these exceptions on the grounds of public health. However, even before the deadline for Southern countries to implement the TRIPs Agreement, the US government, in support of its pharmaceutical companies, has put developing countries such as Thailand under pressure to change their national drug policies so as to comply with, and in some cases exceed, TRIPs requirements. Until recently, the USA was doing its best to stop the South African government from allowing local firms to manufacture US-patented AIDS medicines – a measure that South Africa considered essential in order to make treatment available at affordable prices for the country's many sufferers. The US government relented only after vigorous protests from American HIV/AIDS activist groups.

Wider implications

The impact of the TRIPs Agreement on national drug strategies is merely one aspect of its significance. **The Agreement will potentially increase the costs of all knowledge-intensive imports, such as seeds and information/communication technologies, because of the requirement to pay royalties to patent-holding companies.** The Agreement currently provides some flexibility for developing countries to determine their own systems of intellectual property protection for commercial plant varieties. However, the relevant article is due to be reviewed, and the outcome could be the loss of flexibility, including the option not to patent life forms.

In theory, patents may provide incentives for companies to conduct research and development into new technologies. In reality, the proportion of research and development devoted to products and technologies of importance to developing countries is very small. For example, between 1975 and 1997, only one per cent of drugs marketed by US pharmaceutical companies was for treatment of tropical diseases.

Recommendations – Intellectual property rules

The Australian Government should advocate for fundamental changes in the TRIPs Agreement:

- The public interest must take precedence over commercial interests in the implementation of the Agreement. The length and scope of patent protection should be reduced.

- Flexibility in the Agreement should be extended to secure governments' ability to determine national intellectual property regimes, including the option not to patent life forms.

- The Agreement should also allow governments to use policy options such as parallel importing and compulsory licensing for the provision of affordable essential drugs, especially for serious diseases that cause high mortality and/or morbidity.

4. Special and differential treatment

There is a convention in the WTO that developing countries do not have to take on the same responsibilities as industrialised countries, in recognition of their lower level of economic development. **This has been institutionalised in the WTO's special and differential (S&D) provisions for developing countries, which is increasingly being challenged by some industrialised countries. The maintenance of S&D treatment is vital, given that forcing 'equal' trade relations between unequals will only reinforce inequality.**

The WTO members include countries at very different levels of development, with dramatically different shares of world trade. Moreover, all countries have started liberalising from different levels of protection, and some countries have liberalised faster than others. Many developing countries have rapidly liberalised their trade regimes unilaterally under structural adjustment programmes, a measure which has not been mirrored by developed countries.

WTO rules are often determined on the basis of narrow commercial interests, not the broad development goals of individual member countries. Yet they affect a wide range of national economic and social policies on matters such as food security and health. S&D treatment is essential to enable countries to pursue these important development objectives on the basis of their specific needs and circumstances. **Two factors should be central to determining appropriate special and differential provisions within WTO rules: the likely developmental impact of the rules, and the capacity of a country to adjust to the rules.**

Prior to the Uruguay Round, countries were allowed to choose whether or not to implement certain GATT agreements, and S&D provisions provided greater latitude for developing countries within agreements, for example in terms of tariff preferences. The Uruguay Round departed from this tradition by taking the form of a 'single undertaking', meaning that in signing the final text WTO member countries committed themselves to implement all the sectoral agreements without exception. The WTO provides S&D provisions for developing countries in the form of longer implementation timeframes or lower targets for reduction of trade barriers. LLDCs are exempted from implementing certain agreements. However, these forms of special treatment are inadequate to meet the development needs of poor countries in certain sectors, given the weakness of their economies, inequalities in the international trade regime, and continuing high levels of poverty.

The focus on extending implementation periods implies a belief that in five or ten years developing countries will no longer require S&D treatment. This premise is difficult to reconcile with the reality that they will clearly remain substantially below the level of development of the industrialised countries, and in some cases the gap will have widened. The principle as it is currently applied is little more than tokenism. **The legitimacy of the S&D principle, based on the above two factors, must be restored at the WTO and maintained for as long as some economies remain weaker than others.** Some of the ways in which this might be done are outlined below in relation to specific agreements.

There are strong justifications in terms of social and economic development for poor countries to be allowed to shelter vulnerable sectors from competition. These include providing a breathing space for domestic producers to become competitive, or promoting important national development objectives such as food security, regional development, or supporting the livelihoods of vulnerable communities. **For example, as India has argued in the WTO Agriculture Committee, predominantly agrarian economies with large numbers of small-scale producers should be exempt from WTO rules requiring them to open their markets to unfair competition from subsidised exports dumped by industrialised countries.** Yet developing countries are required to reduce restrictions on agricultural imports by 13 per cent, while richer countries maintain up to 79 per cent of their export subsidies under the WTO Agreement on Agriculture.

Strategic protection of key industries can also be vital in developing a manufacturing base, as the experience of some East Asian countries has shown. **In both South Korea and Taiwan, manufactured exports surged after the early 1960s as a result of a trade regime that promoted domestic investment in labour-intensive manufacturing industry through a regime of strategic import controls**.[21]

WTO ruling on India's balance of payments problems

WTO rules allow members to restrict imports in order to safeguard their balance of payments (BoP). Yet in a recent dispute brought by the USA, the WTO ruled against import restrictions maintained by India on BoP grounds. It appears that the ruling was determined by the IMF's judgment that India had sufficient reserves to remove quantitative restrictions quickly, and that it could manage its BoP situation using other macro-economic policies. This verdict widens the possibility that future WTO decisions could require developing countries to change their macro-economic policies, in spite of the impact this may have on broader national development policies – a concern already expressed by many developing countries, including the Dominican Republic, Malaysia, Cuba, the Philippines, Jamaica, and Sri Lanka.

Source: Raghavan, C (1999), 'A "millstone" for developing world, a "milestone" for US', *South-North Development Monitor*, 24 September.

Under the Trade-Related Intellectual Property (TRIPs) agreement, developing countries are granted a longer timeframe than developed countries for implementation. However, as already discussed, there are strong grounds for reducing the level of patent protection that the TRIPs agreement provides for companies, thereby enabling governments to pursue wider public objectives such as universal health care and food security.

The Sanitary and Phyto-Sanitary (SPS) agreement and Technical Barriers to Trade (TBT) agreement should include the provision of financial and technical assistance and longer periods to comply with the relevant standards. (The SPS agreement is intended to prevent national laws that regulate food safety, food quality and the spread of plant and animal diseases from unduly restricting international trade. The TBT agreement aims to ensure that domestic regulations, standards, testing and certification procedures relating to health, safety, product quality, and environmental protection do not constitute unnecessary obstacles to trade). In addition, where a group of developing countries has difficulty in implementing the SPS measure or technical regulation of a specific Northern country, that country should reconsider it and/or provide technical assistance.

The classification of countries deserving S&D treatment under WTO rules is based on the UN definition of 'developing' and 'least-developed' countries. This fails to address the situation of small economies that are heavily dependent on a few export commodities and are thus highly vulnerable, despite their somewhat higher GDP per capita.

Rotten bananas

'If our banana industry collapses, it will mean poverty for many thousands of people. I've been a banana farmer all my life. I have nine children. How am I to earn enough money to feed my children without bananas?'

Claudius Jan-Marie, banana farmer, Roseau Valley, St. Lucia

Banana exports to Europe contribute almost half the total export earnings of the small island economies of the Windwards. In St Lucia, over one-third of the population depends on the banana industry. In the foreseeable future, no other industry could provide a regular income all year round and support the livelihoods of so many people across the Caribbean region. This income has traditionally been protected by the Caribbean's preferential access to European markets.

In September 1997, however, the EU accepted the WTO decision that its banana import and licensing system contravened WTO rules. As a consequence, the Windward Islands face an uncertain future, including thousands of families losing their livelihoods, a steep rise in poverty, and potential regional instability.

There is a need for an extension of the WTO Special and Differential Treatment provisions to allow for discrimination in favour of products that provide vital support for vulnerable economies dependent on a single commodity. Development of a vulnerability index to define eligibility for WTO special and differential treatment would allow for the inclusion of small island states.

Source: Oxfam, WWF, CNI and CIEL (1998), *Dispute Settlement in the WTO: A Crisis for Sustainable Development.*

The rate, scope, and sequencing of import liberalisation with other domestic policy changes, including the development of an effective domestic regulatory framework, is vital in determining its overall socio-economic and environmental impacts. **Developing country members of the WTO must retain the flexibility to make strategic decisions about how quickly and how far to liberalise, including the ability to shelter vulnerable and strategically important sectors from competition where this is important for the achievement of overall national development goals.**

The Uruguay Round committed industrialised countries to certain actions in relation to developing countries. Many of these are ‘best endeavour’ clauses that lack concrete mechanisms for implementation, for example the *Ministerial Decision on Least-Developed and Net Food-Importing Developing Countries*. These types of provision must be clarified through the negotiation of clear guidelines and operational mechanisms, and the development of measurable criteria for evaluation of implementation.

Recommendations – Special and Differential (S&D) Treatment.

The Australian Government should support the clarification and strengthening of the principle of S&D treatment in the WTO:

- A vulnerability index should be introduced, which defines eligibility of countries at different levels of development for various categories of S&D treatment.
- Existing S&D provisions should be reviewed on the basis of their contribution to poverty-reduction objectives, and operational measures should be strengthened.
- Mechanisms should be created to ensure that WTO agreements support national and international development strategies, for example, by involving specialised UN agencies, trade unions, and other civil society organisations in the WTO Trade Policy Reviews.
- Northern countries including Australia should agree to make their commitments to S&D treatment binding, and their implementation subject to mandatory monitoring.

5. WTO institutional reform

A major challenge for the WTO is to increase trust in its ability to reflect the interests of all its member countries and to take account of non-trade public concerns in formulating and enforcing international trade rules. This requires institutional reform to strengthen the voice of small and poor countries relative to the major trading blocks and corporations, in the negotiation and implementation of international trade regulations - and action to address wider civil society concerns about the lack of transparency and accountability.

Developing country negotiating power

A key factor behind unbalanced WTO agreements has been the unequal negotiating ability of members. Many developing countries are under-represented, or even totally unrepresented, in the day-to-day activities of the WTO. Procedures rely on consensus for decision-making but, in practice, smaller countries cannot wield a veto and are therefore effectively disenfranchised. Much is decided in a multitude of committees, where many developing countries, even if they could attend, would be outgunned technically and politically. **A major challenge for the WTO is to increase the voice of small and poor countries in the formulation and implementation of international trade agreements.**

Of the 48 least-developed countries, 29 are members of the WTO, and a further nine have observer status (of which six are acceding to the WTO). However, only 16 LLDC members and four with observer status have missions in Geneva. A number of non-LLDC developing countries are also without missions. Existing missions generally employ a handful of staff, who are responsible for covering the range of UN agencies based in the city, not just the WTO. Many are diplomats without a technical background in trade and without back-up from their national capitals, where the civil services also lack experienced trade officials. **There are approximately 50 WTO meetings a week, meaning that even when developing countries are represented in Geneva, they cannot participate in many discussions relevant to their countries' trade interests.**

Relatively few developing countries participated effectively in the Uruguay Round, and this was reflected in the outcomes. Many poor countries had little understanding of the financial implications of some of their Uruguay Round commitments. A recent World Bank study estimates that implementing the Uruguay Round agreements on customs valuation, Sanitary and Phyto-Sanitary regulations, and Trade-Related Aspects of Intellectual Property (TRIPs) can cost more than a year's development budget for the poorest countries.[22]

As important as representation in the WTO itself is developing country participation in international standard-setting bodies recognised by the WTO. Currently, many of these lack adequate representation by developing countries. For example, the Codex Alimentarius, whose standards underpin the WTO Sanitary and Phyto-Sanitary agreement, is dominated primarily by industry.

Currently, developing countries account for three-quarters of the WTO membership. It is essential that these countries are assured that their voices will be heard and their

priorities taken into account in any further negotiations, if the credibility of the WTO as a multilateral organisation is to be restored after the Seattle debacle.

Dispute Settlement Understanding

WTO members can take complaints to a dispute-settlement procedure if they consider that another country is not meeting its obligations under WTO rules. The main goal of this process, established under the Dispute Settlement Understanding (DSU), is compliance. If the recommendations of the WTO panel are not implemented within a given timeframe, or adequate compensation is not given, the complaining party can seek permission to withdraw or suspend trading concessions, or impose countervailing tariffs. However, there are various problems with the process, which should be identified and resolved.

First, while the DSU has gained some credibility among Southern country governments, it is still mainly used by Northern governments (125 requests by Northern country members, compared with 34 by Southern countries). This is partly because litigation is extremely expensive, and poorer countries simply do not have the required expertise or resources. It is also because it is difficult for Southern countries to take retaliatory action against powerful Northern countries on which they may be economically dependent, and when the effects of such actions may be inconsequential.

Second, sanctions such as punitive tariffs can be effective in promoting compliance, but have adverse economic effects and can exacerbate poverty. The current rules require that the complainant takes into account only the broader economic, and not social, consequences of retaliatory action. Insufficient emphasis is put on mediation and technical assistance.

Third, the lack of clarity about the relationship between WTO rules and international human rights and environmental law means that the WTO dispute-settlement system is *de facto* being left to reconcile the complex relationship between trade policy and governments' human rights, health, and environmental objectives, on a case-by-case basis. Yet the WTO panels do not have the competence or expertise to adjudicate in these areas. (See the next section for further comment on this issue).

Fourth, there is currently no provision in WTO rules to allow citizens' groups affected by its rulings to present evidence to the panels, although there are clear precedents for this in international human rights tribunals.

WTO and consumer protection

WTO rules affect not only producers, but also consumers in both the South and the North. It is normally assumed that consumers simply benefit from the lower prices arising from trade liberalisation. Yet recent WTO dispute panels have over-ruled government laws aimed at protecting people's health, including Thailand's ban on US cigarette imports and more recently the EU ban on hormone-treated beef. Potential new disputes relate to government bans on or mandatory labelling of genetically modified (GM) products.[23] As noted above, if a government is successfully challenged under WTO rules, it has to withdraw the measure, pay compensation, or face trade sanctions. **The WTO has neither the competence nor the mandate to reconcile trade policy with health issues, or set standards in this areas. In**

trade disputes involving the broader public interest, the WTO should establish joint dispute-settlement panels with the appropriate UN specialised agencies.

What some of the cases adjudicated by the WTO have in common is the issue of whether it is legitimate to distinguish between imported products on the basis of how the product is produced. GATT rules outlaw discrimination between domestic and imported goods if they are 'like products'**. This means that governments may not distinguish between imports of similar products, even if the production and processing method of one product causes environmental or health risks or is based on exploitative labour practices,** unless these effects can be shown to be 'product-related'.

In a recent WTO dispute, the USA successfully challenged the EU's ten-year ban on hormone-treated beef. The ban was based on the 'precautionary principle', which says that when scientific evidence is not very clear or is contradictory, governments should be allowed to err on the side of caution when formulating standards or regulations in order to protect public health or the environment. The WTO ruled that the ban was inconsistent with the Sanitary and Phyto-Sanitary Agreement, as it had not been based on an internationally agreed standard, was not preceded by a risk assessment, and was not adequately justified by the evidence. Even when risk assessments are carried out, the question of how much risk justifies a trade restriction depends on power politics, ethical judgements, and consumer opinion. EU consumers are understandably cautious about food safety after a series of health scares including 'mad cow' disease.

It is possible that the USA, in support of large bio-tech companies, may challenge the WTO-consistency of governments' attempts to restrict or label GM imports, as there are no internationally agreed standards or scientific evidence about the health threats from these products. The right of governments to differentiate between GM and non-GM foods through mandatory labelling, for example, is necessary to ensure that farmers and consumers can make informed decisions about products that they buy. As well as Australia, the EU, Japan, New Zealand, and South Africa have all either introduced or are seeking to introduce mandatory labelling of GM products.

But whether GM and non-GM varieties of the same agricultural crop, such as maize or soybean, are considered 'like products' under WTO rules is disputed. It is also unclear whether WTO rules would support precautionary action by governments to restrict or compulsorily label GM food imports. The beef-hormones case would suggest not. However, a government-recognised labelling scheme which allowed companies to gain certification on a voluntary basis may be allowed, as it constitutes one of the least trade-restrictive measures.

Some Southern governments believe that calls by consumers to reform WTO rules in order to allow governments to restrict or label imports on health or environmental grounds are merely a smokescreen for a new form of Northern protectionism. WTO rules have to guard against unfair protectionism, but in some cases there are genuine health-related and environmental concerns, which must be addressed. These concerns apply equally to producers and consumers in the South as well as the North. A number of Southern farmers and consumer groups are calling for labelling of GM products in their own countries, and an Indian coalition of two thousand organisations is campaigning to ban large GM companies from operating in India.

Citizens' right to a say

Decisions taken at the WTO affect the livelihoods of billions of people and their environments. Yet the vast majority of people know very little about this important international institution, or the decisions taken there by governments on their behalf. This low level of knowledge and understanding is exacerbated by the way in which the WTO currently operates. There are a number of issues relating to transparency and accountability that must be addressed and implemented at the national level.

Within each WTO member country, North and South, there is a need for more open and transparent trade policy-making which involves all sections of the community that have a stake. In Australia the Department of Foreign Affairs and Trade and the Minister of Trade have traditionally engaged in regular consultation with business groups, but must grant similar opportunities to other interested parties, including labour unions, small-scale producers, and groups representing environment, development, human rights, and consumer interests. This could be done by the establishment of a WTO Social and Environmental Advisory Council.

WTO matters, including the preparation of negotiating positions, are subject to relatively little scrutiny by the Australian Parliament. The accountability of the WTO would be significantly increased if its processes were made subject to regular debate in Parliament.

Recommendations - WTO institutional reform

Building capacity for trade negotiation:

The Australian Government should provide increased financial and technical assistance to ensure that developing countries are adequately represented at the WTO and to help them develop expertise in trade policy-making and negotiation skills, so that they can participate on a more equal basis in the day-to-day activities of the WTO, in standard-setting bodies and in future multilateral trade negotiations.

Dispute Settlement Understanding (DSU):

The Australian Government should assist poorer countries to develop the legal capacity necessary to use the WTO dispute system. This should include funding the proposed Advisory Centre for WTO Law, which will provide subsidised services to developing countries.

The DSU should place greater emphasis on mediation and technical assistance. In cases of persistent non-compliance, panels should ensure that the proposed retaliatory actions minimise the negative effects on people living in poverty.

Citizens' groups with a relevant interest or expertise should be able to submit evidence to dispute-settlement panels.

WTO and consumer protection:

There should be an international agreement which allows joint panels to be established between the WTO and other specialised UN bodies to adjudicate in trade disputes relating to concerns about the environment and health.

WTO rules should be amended to allow governments to restrict imports or introduce mandatory labelling of genetically modified seeds and foodstuffs.

Citizens' right to a say:

A WTO Social and Environmental Advisory Council should be established by the Australian Government with wide representation from a variety of sectors in this country including farmers, consumer groups, environment and development organisations, the union movement and the business community.

The Australian Parliament should play a more active role in determining negotiating positions and in regular scrutiny of WTO processes.

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Endnotes:

[1] World Bank (1998), *World Development Indicators.*
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[3] UNDP (1999), *Human Development Report.*
[4] See K. Watkins (1997), *Globalisation and Liberalisation: implications for poverty, distribution and inequality,* UNDP Occasional Paper 32. Also Oxfam (1996), *Trade Liberalisation as a threat to livelihoods: the corn sector in the Philippines*, December 1996. Eurostep, *Dossier on CAP and Coherence*, April 1999. Oxfam, *Liberalisation and Poverty in Zimbabwe and Zambia*, (forthcoming).
[5] UNCTAD (1995), *Translating Uruguay Round special provisions for least developed countries into concrete action: issues and policy requirements*, Report to the Ad Hoc Working Group on Trading Opportunities in the New International Trading Context.
[6] Improved market access can be granted by one country to another (or to a group of countries) within the context of free trade agreements or special schemes for developing countries, subject to certain WTO rules. For example, under the Lomé Convention, imports entering the EU market from African, Caribbean and Pacific (ACP) countries attract a lower tariff than imports from all other countries.
[7] IMF (1999), News Brief No. 99/8, *IMF Seminar Discusses Revenue Implications of Trade Liberalisation,* 25 February 1999, cited in Nicholas Hopkinson (1999), *Multilateral Trade Negotiations: The Way Forward*, Short Report on Wilton Park Conference 569, 29 June – 2 July 1999.
[8] *Integrating LDCs into the Global Economy: Proposals for a Comprehensive New Plan of Action in the Context of the Third WTO Ministerial Conference*, 25 June 1999.
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[15] Address by Hon. Kathy Sullivan MP to the official dinner, 19th Meeting of the Policy Advisory Council, Australian Center for International Agricultural Research, Parliament House, Canberra, 9 March 1999.
[16] *Australia's Overseas Aid Program 2000-01*. Statement by the Hon. Alexander Downer MP, Minister for Foreign Affairs, 9 May 2000, p.11.
[17] Statement by India. Second Special Session of the Committee on Agriculture. WTO document G/AG/NG/W/33, 13 July 2000.
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[20] Oxfam, *TRIPs and access to essential drugs*. (forthcoming).

[21] Oxfam (1998), *Economic Growth with Equity*, Oxfam Insight.
[22] J. Michael Finger and Philip Schuler (1999), *Implementation of Uruguay Round Commitments: The Development Challenge.*
[23] Oxfam (1999), *Genetically Modified Crops, World Trade and Food Security*.