

The WTO's Broken Promise

By David Moberg

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RADE NEGOTIATORS PROMISED THAT "development" of the world's poorer nations would be at the top of their agenda during negotiations over new trade rules that the World Trade Organization members launched two years ago.

They planned to focus on agriculture, since the vast majority of people in poor countries still work the land as small landowning peasants or as rural laborers. But as both governments and concerned citizen groups prepared for the September 10 WTO meeting in Cancun, Mexico, it seemed more likely that any new agreement would further enhance multinational corporations' control over global agriculture and not the economies of developing countries or, least of all, the well-being of the world's poorest people.

For roughly five decades, agriculture was excluded from negotiations for reduced tariffs and trade barriers, largely because the United States wanted to protect its domestic agriculture programs. But with the establishment of the WTO in 1995, agriculture was put on the table.

At the last WTO meeting in Doha, Qatar, trade ministers agreed to increase agricultural producers' access to markets (especially for poor countries selling to richer countries) and to decrease domestic financial support for agriculture. In theory, this was supposed to lead to freer, more "liberalized" trade in agricultural products.

Most countries, however, recognize that agriculture, which is wildly subject to the vagaries of weather, is not like other industries. Having secure food supplies, for example, is more important than having a steady supply of automobiles or portable disc players. Agricultural practices also have a big impact on natural environments and the social fabric of society, even in societies where farm populations have shrunk. And many small, poor countries are dependent on one or a few agricultural products for their export earnings, which was one of many reasons the WTO talked about establishing distinct rules to help developing nations.

In the model of free trade comparative advantage, it may make sense for Portugal to make wine and for England to produce wool, but most agricultural trade decisions involve far more complex social, economic, and environmental calculations. Consequently, there are a large number of blocs of countries with quite different interests.



One group of major exporting countries (the Cairns group) includes both developed and developing nations that want to minimize trade barriers. But some of those same countries also want special protections for their domestic ag industries. Both the European Union and the United States promote the ideology of free trade, but both also want to keep their farm subsidy programs in place. For that, poor countries attack them as hypocrites who want to pry open markets and "dump" their products at destructively low prices and at the same time keep their own markets closed to Third World products.

Despite the complex patterns of barriers and subsidies, agricultural trade has opened up in many countries, not only through NAFTA, the WTO, and other trade agreements but also through International Monetary Fund pressure on cash-strapped countries. So far the results have been encouraging only for the global agribusiness companies that control and profit from the trade in goods and often depressed world commodity prices.

Researchers at Food First and the Institute for Food and Development Policy studied the effects of more liberalized agricultural trade policies in Brazil, China, India, Mexico, South Africa, and the United States. They found that the freer trade "has cost the poor jobs and income, has increased rural poverty and inequality, and has wiped out small farms and communities." Even when increased agricultural trade brings more revenue to some countries, it is the very big farmers and multinational corporations that gain the most.

As agriculture is restructured to become more concentrated, more industrial and more environmentally harmful, small farmers and peasants suffer. Consequently, the shift to agricultural exports pushes farmers producing food for domestic consumption out of business. The export agricultural producers profit from the labor of poorly paid, landless workers, which makes a bad social situation worse and leads to greater economic inequality. For poor people, underdevelopment is preferable to this free-trade engineered development.

Agricultural policies in the United States and Europe cause trouble for those developing countries that do open their markets by encouraging dumping, that is, selling goods below the cost of production. Dumping may be related to the existence of domestic subsidy programs, but it isn't the same thing. It would be possible to guarantee that U.S. farmers are paid at least the full cost of production, to limit crop production, and to prevent crops from being exported at a below market price. Doing this would reduce the volume of U.S. exports and allow farmers in the United States and in most other countries to come out ahead financially.

Instead, farmers in the U.S. often earn far less than it costs to produce their crops, receive subsidies that don't make up the difference, and then have their crops sold in the grain markets at unfairly low prices around the world, thereby depressing incomes for farmers elsewhere. IATP calculated that in 2001 it cost U.S. farmers on average \$6.24 to produce a bushel of wheat, but big U.S. exporters like Cargill were able to sell the wheat on the world market for \$3.50, or 44 percent below the cost of production.

Government support payments compensate for only a small part of that shortfall for most farmers. And those payments were concentrated among the largest and richest farmers, leaving smaller-scale farmers—those that don't go bankrupt—to rely on income from jobs off the farm to make up for their losses.

Cargill—and the handful of other companies that dominate the global grain trade—profit from selling this cheap grain, and processors, like Archer Daniels Midland, or end users, like food giants from Coca-Cola to Tyson's, benefit from these low-cost agricultural products. But such dumping simply leads to low prices and fewer markets for the products of farmers and peasants elsewhere in the world—like Mexican peasants flooded with cheap U.S. corn under NAFTA.

European milk is dumped in central America, destroying its indigenous dairy industry, and the dark meat that is less prized in European and American chicken markets is dumped in

Senegal or other countries, wiping out flourishing domestic poultry industries. The milk is subsidized, but the chicken isn't. Both cases of dumping have the same deleterious effects.

In the eyes of some free trade theorists, the consuming countries should be delighted at getting cheap food at less than the cost to produce it. Some countries can benefit, especially if they do not have a big farming economy (like Saudi Arabia). But by destroying the still-large agricultural sectors in most other countries, low price imports depress domestic agricultural markets around the world—markets that are needed for development. Rarely are the economies of those countries adequate to absorb the flood of displaced peasants even if hundreds of new sweatshops are opened. Countries that depend on their limited supply of hard foreign currency to buy other crucial goods, from machinery to medicines, are thereby forced to spend it on food. Further, consumers don't always benefit from depressed farm prices. Over the past 15 years in the United States, for example, the spread between farm and retail prices for a market basket of goods has increased sharply. Even in Mexico, since agri-

culture was liberalized, the price of tortillas has skyrocketed while corn prices have fallen.

If all dumping were halted, developing country economies would be strengthened, as people in the rural sector would have more income to buy goods, educate children, and improve their livelihoods. And the transition of the workforce out of agriculture could be managed more humanely.

As the Center for Economic and Policy Research co-directors Dean Baker and Mark Weisbrot note, simply removing trade barriers will do little to develop the poor countries. The World Bank calculated that low and middle income countries would only gain about six-tenths of one percent in their gross domestic product if all rich country trade barriers—for both industrial and agricultural goods—were phased out by 2015. It is important to protect these countries from unwanted dumping and to open access to rich markets, particularly for products that are not environmentally destructive or produced with heavily exploited workers. Free trade, however, will not on its own yield the development promised at Doha.

The forces pushing the agricultural trade talks are not poor farmers, despite the fact that many developing countries were taking a more independent, aggressive stand heading into the meeting at Cancun. The global agribusiness corporations that profit at the expense of farmers in both the developed and developing world have set the agenda, while peddling panaceas—like genetically modified crops—for agricultural crises that are partly caused by the corporate-dominated market. This concentration of corporate power is as much a distortion of markets as are agricultural subsidies.

Not surprisingly, however, no proposals at the Cancun meeting will address the corporate power of global agribusiness and how it shapes the global markets in farming and food. ■

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A Woman of Influence

By Cedric Kwesi Johnson

For many within the American civil rights movement, Ella Josephine Baker was a consummate organizer, a politically sophisticated intellectual, a patient teacher, faithful comrade, and in many respects a miracle worker. Like Fannie Lou Hamer, Myles Horton, Bayard

Ella Baker and the Black Freedom Movement: A Radical Democratic Vision

By Barbara Ransby
The University of North Carolina Press
470 pages, \$34.95

Rustin, Jo Ann Gibson Robinson, Esau Jenkins, Septima Clark and countless other unsung heroes and heroines, Baker was among the prime architects of the civil rights movement, often standing just beyond the media-refracted images of mass marches, charismatic preachers and violent police reprisals. Since her death in 1986, interest in Baker's life and legacy has grown. The handful of leadership programs and grassroots organizations that bear her name, such as the Children's Defense Fund's Ella Baker Child Policy Training Institute and the Bay Area's Ella Baker Center for Human Rights testify to her continuing resonance.

Barbara Ransby's *Ella Baker and the Black Freedom Movement* represents a major contribution to American historiography. She offers an authoritative, meticulously researched, intimate portrait of Baker's captivating life. As executive director for the Public Square, a Chicago-area organization dedicated to open political debate and participatory democracy, Ransby writes as a kindred spirit. The result is a graceful, deeply personal work with even deeper political value for the contemporary American left.

Given that Baker's political career spanned some of the most tumultuous

decades of the 20th century, Ransby's biography is in many ways a history of 20th-century progressive and radical left politics, and she writes about Baker with an eye on contemporary social struggles. For Ransby, "There are vital political and historical lessons to be gleaned by looking back in time through the lens of Ella Baker's life."

Until now the only book-length treatment of the late activist was Joanne Grant's pioneering 1999 biography, *Ella Baker: Freedom Bound*. (Grant also produced the acclaimed PBS documentary, *Fundi: The Story of Ella Baker*.) Ransby's work offers a more extensive look. She

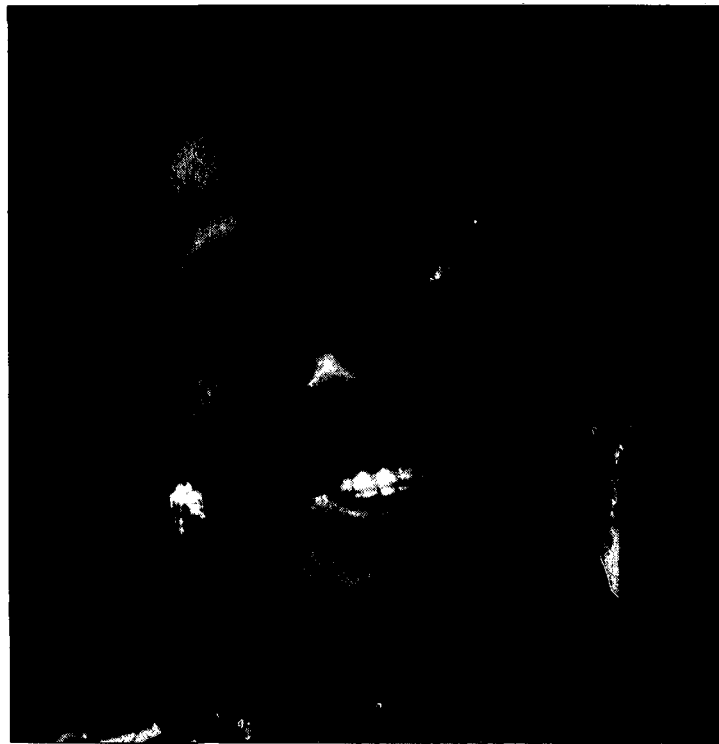
aggressive attempt to contextualize Baker's activism within wider social struggles and to analyze her distinctive political philosophy.

The task of assessing Baker's political outlook is made difficult by her marathon commitment to organizing—more so than theorizing. Although Baker was revered by friends and foes alike for her rhetorical gifts and sharp mind, unlike many of the most well known African American leaders, she did not leave a sizable paper trail of ideas. Instead, as Ransby points out, "Baker's theory of social change and political organizing was inscribed in her practice." Much of the value of Ransby's work lies in her attempts to bring Baker's politics into sharper focus.

Over her nearly 60 years of activism, Baker developed a non-sectarian, radical democratic politics. Although she chose to work inside major civil rights organizations for much of her activist career rather than joining one of the radical left political parties, Baker was, as Ransby notes, "a harsh critic of capitalism." And while her socialist convictions were rarely made explicit, Baker is quoted as saying, "The only society that can serve the needs of large masses of poor people is a socialist society."

Drawing on the Italian communist Antonio Gramsci, Ransby characterizes Baker as an "organic intellectual" because "her primary base of knowledge came from grassroots communities and from lived experience, not from formal study. She was a partisan intellectual, never feigning a bloodless objectivity, but

always insisting that ideas should be employed in the service of oppressed people and toward the goal of justice." But Ransby may overreach in her attempts to cast Baker in such terms. For Baker might be seen as an "organic intellectual" only if the concept is understood in a racial sense—a move that obscures the class implications of the term.



Civil rights pioneer Ella Baker: Do strong people need strong leaders?

delves deeper into the lesser-known facts of Baker's personal life, particularly her "most unconventional" marriage to T.J. Roberts, her often turbulent associations with mainstream civil rights leaders like Walter White and Martin Luther King Jr., and her complicated relationship with McCarthyite anti-communism. Most importantly, Ransby makes a more

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