

## Protests at G-8 Summit: Fuelling Their Ire

Seattle, Washington, Melbourne, London, Quebec City, Prague, Davos, Gothenburg, Salzburg and now Genoa. All these cities have seen street battles, riot police, tear gas, water cannons, rubber bullets, and sometimes real bullets in the last 18 months. And smashed plate glass windows, burning cars, stone-throwing masked demonstrators and space age police. To us sitting in this part of the world, it would appear as if the industrialised north has gone mad. With all that prosperity, what are these people protesting about?

Behind those street battles and the partial images projected by a sensation-obsessed media is a story of disillusionment and displacement that is relevant for us in the developing world. We need to hear the real voices above the cacophony and pay heed to some of what these protesters are saying.

Ever since demonstrators virtually wrecked the World Trade Organisation (WTO) meeting in Seattle in November 1999, every major meeting of the World Bank, the WTO or the G8 industrialised countries has had to contend with street demonstrators. Increasingly, a small section of the demonstrators has been violent. It has attacked what it sees are symbols of globalisation - like the fast food chains (McDonalds, Starbucks etc) - and it both provokes and is provoked by the police.

Last month, the Italian Government took elaborate precautions to prevent demonstrators from arriving in Genoa during the G8 summit. Commercial flights to the port city were suspended, trains were cancelled, the entire area around the summit location was sanitised and isolated and heads of state stayed on ships docked in the port rather than on land. Despite this, thousands of demonstrators arrived in Genoa, the majority of them with the aim of peacefully demanding an end to Third World debt.

Genoa, however, became the scene of pitched battles televised daily around the world. The cameras caught only those demonstrators who were throwing stones or other objects. One demonstrator was shot dead by the Italian police. We had no way of knowing what the other thousands were thinking or doing.

In June in Gothenburg, the situation had been even stranger. Before the summit, the Swedish Prime Minister, Mr. Jan Carlsson, had met representatives of different groups of protesters. Schools in the city were opened up for the demonstrators to stay during the summit. But when the protesters gathered in the city, they were met with real bullets, not water cannons or rubber bullets or even tear gas. The Swedish police apparently did not have any crowd control tools. As a result, three demonstrators were injured. The world's newspapers carried the memorable image of a young demonstrator raising his hand to fling a rock at the police, turn his back on them and then fall down after being shot in the back.

Should stones be met with bullets? Is violence inevitable if disparate groups of people - ranging from anarchists to environmentalists, women's groups, peace groups, organisations fighting for cancellation of Third World debt, human rights groups - all come together?

I happened to be in Oslo, Norway, the week after the Gothenburg

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demonstrations. Ms. Nina Drange, president of Attac (Action pour une taxe Tobin d'aide aux citoyens), the France-based organisation spearheading some of the demonstrations, explained what they were fighting for. "We do not want stone-throwing and violence," said Ms. Drange. But the Swedish police, she said, were "unprofessional and nervous". They did not know how to manage large crowds. She said, "At every demonstration, there are always some people who want to fight. But in Gothenburg, people who are usually peaceful were very angry."

The irony, says Ms. Drange, was that the coalition of groups that assembled in Gothenburg had actually negotiated with the Swedish Prime Minister. But even before they began their demonstrations, one of the schools where some of them were staying was surrounded by the police, 240 people arrested and 60 of them charged. This kind of reaction from the authorities, she says, "radicalises people".

Also, the same evening that the riots broke out, a "confrontational dialogue" was held between representatives of the demonstrators, including well-known economist Ms. Susan George (author of *How the Other Half Dies*) and Ms. Dot Keith who heads Jubilee 2000, the campaign to end Third World debt, and European leaders. This was televised live on a big screen, watched by many of the 20,000 - 30,000 people who were in the city to register their protest. But it went unreported as the television cameras were focussed on the confrontation between a few demonstrators and the police elsewhere in the city.

Ms. Drange says that organisations like Attac are not just attacking globalisation but they have specific, constructive demands which have been voiced at every demonstration. Amongst these is the demand that the Tobin Tax (a tax on all global financial transactions) be introduced, cancellation of Third World debt, an open and transparent environment for investment, an intensification of the fight against financial piracy and tax havens and removal of European Union trade barriers against the Least Developed Countries (LDC).

Asked why so many people in the West should be concerned about issues that do not affect them directly, Mr. Carl-Erik Schulz, from the department of economics at Tromsø University in Norway, who is also a member of Attac, said that people in rich countries like Norway could see the growing inequality even in their own society. "Europe is now much more exposed to the poverty of our neighbouring countries," he said. "The conflicts there come into our own country. That has triggered racism but also concern."

To fully understand the genesis of the current unrest as represented by the growing anti-capitalism demonstrations across the western world, you have to read Ms. Naomi Klein's gripping and persuasive book

*No Logo* (published by Flamingo, 2000). It has been called "the bible of anti-corporate militancy" and was written before Seattle. But it traces events through the 1990s in the West which resulted in alienation and displacement, and brought people out of their houses to "Reclaim the Streets".

The ideology and motivation of the demonstrators cannot be easily categorised. This is not the "loony left" as some would like to see it, or plain hooliganism. The demonstrations represent the anger and disillusionment of increasing numbers of people, young and old, with Western societies and economies that increase disparities and force increasing numbers of people into low-end temporary jobs.

The dominant characteristic of the economies of the industrialised West in the last decade has been the gradual process of de-industrialisation. Increasingly, corporates are closing down large plants, laying off workers with secure permanent jobs and outsourcing production outside national borders. In the countries where production centres have moved, the labour is usually non-unionised and temporary. Thus, for western corporates and multinationals, such a system minimises the risks and liabilities and maximises profits.

According to Ms. Klein, in 1977, 45,000 United States garment workers lost their jobs. She points out these factories closed down not because they were doing badly but because they could do better by outsourcing. "Companies that were traditionally satisfied with a 100 per cent mark up between the cost of factory production and retail price have been scouring the globe for factories that can make their products so inexpensively that the markup is closer to 400 per cent," she writes.

Outsourcing production has coincided with the growth in temporary jobs in the West. What are now called "Mcjobs" are often the only option for thousands of young people coming into the job market. Fastfood chains, shopping malls, chain bookstores and music stores all employ people on a temporary basis, sometimes paying less than the minimum wage. According to Ms. Klein, the number of part-timers in the U.S. has tripled since 1968. Of course, those providing temporary jobs actively discourage unionism and even penalise it.

These part-timers, young and old, also live in a world where manufacturing things has been replaced by branding. You do not buy canvas shoes anymore, you buy a brand. You do not brush your teeth with toothpaste anymore, you use a brand. You do not wear a shirt, trousers, underwear, socks anymore, you wear brands. Ms. Klein calls this the “new branded world” where the nature of the product has ceased to matter, it is the brand that does. She quotes Mr. Hector Liang, former chairman of United Biscuits, saying, “Machines wear out. Cars rust. People die. But what live on are the brands.”

But why should branding lead to alienation? To quote Ms. Klein again: “Since many of today’s best-known manufacturers no longer produce products and advertise them, but rather buy products and ‘brand’ them, these companies are forever on the prowl for creative ways to build and strengthen their brand images. Manufacturing products may require drills, furnaces, hammers and the like, but creating a brand calls for a completely different set of tools and materials. It requires an endless parade of brand extensions, continuously renewed imagery for marketing, and most of all, fresh new spaces to disseminate the brand’s idea of itself.”

Thus brand marketing has invaded every part of life in these countries. Even toilets in colleges are plastered with advertisements selling a brand. Everywhere you look, you have brands staring down at you. The entire side of buildings have been sold for brand promotion. All this is apart from television, radio, newspapers, magazines, buses, taxis, trains - all carriers of brand messages.

The response to this onslaught of brands on people in the West has been a movement called “adbusting” which has taken various forms. From magazines that parody brands to guerrilla actions that deface brands or hack sites of corporates, all these have been signs of protest.

Through the 1990s, media exposes about the manner in which certain brands, like Nike, were actually produced in other countries also led to both consumer resistance and revulsion with the branded world. Stories of child labour, sweat shops using young women, poor wages and terrible working conditions appeared regularly in the western media. The products being churned out in these factories in developing countries were the leading brands in the West. People began demanding that corporations must be held accountable.

Other forms of protest in the last decade include the Reclaim the Streets (RTS) movement where groups suddenly appear unannounced on major roads or even highways and hold a “spontaneous” rave party or demonstration. In cities like London, on the last Friday of every month, the streets are full of people on bicycles under the banner of Critical Mass. They are registering their desire for a clean environment, better public transport and fewer private cars. The common theme in this type of protest was “reclaiming” what is “not ‘ours’, as in ‘our club’ or ‘our group’, but ours as in the people. All the people”. (from a Toronto RTS leaflet).

These expressions of protest are also part of a much more coordinated effort by environmental groups world-wide, human rights groups, those fighting for workers’ rights and peace groups on a range of issues. The internet and e-mail have greatly facilitated such coordination across continents.

The anti-globalisation protests, in a sense, provided all these disparate groups an opportunity to come together and register their protest on issues that are organically linked.

Writing in *The Guardian*, Mr. Jeremy Rifkin suggests that these are “the first stirrings of a cultural backlash to globalisation whose effects are likely to be as significant and far-reaching as were the revolutionary movements for political democracy and market capitalism at the end of the 18th Century”. He calls it a new “civil society politics”.

One can agree or disagree with this prediction but one thing is certain: the number of people questioning the new globalised world economy is growing. The nature of the protests might change, given the type of violence seen in Genoa. The targets in future might not be such meetings - the WTO is holding its next meeting in Qatar to ensure that Western protestors are kept out - but could be specific corporations that symbolise the global economy.

What is important for us here is to pay heed to some of the questions raised by the protestors. Who profits and who loses in “the new branded world?” What is the real value added to our lives by the proliferation of brands? Is the consumer really king or are all of us becoming pawns in a huge “branded” game? Do we really want a world where rice, flour, vegetables, fruit, pens, ink, paper, clothes, shoes, chappals ... disappear from our vocabulary and we are left only with brands? Is this what poor countries like ours really need?

*By Kalpana Sharma; The Hindu, August 5, 2001*

# Eyewitness Account:

## Police and Protesters Clash as G-8 Meets in Genoa

*By Walden Bello*

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*Genoa, 23rd July, 2001*

Organizers of the anti-G8 protest in Genoa say that 200,000 people came from all over Italy and Europe to join the mammoth demonstration yesterday. In contrast to last Friday, the day seemed to be relatively peaceable...until the evening. At around 11 p.m., while I and several media people were filing stories, the police barged into the Genoa Social Forum press center in search of "anarchists."

"Prensa, prensa," we shouted, our hands held high, as baton wielding carabinieri pushed us and commanded us to sit on the floor. We were captives for the next hour, but things were worse than the high school next door which served as temporary quarters for people coming from out of town. About 200 police in full riot gear crashed into the building, rounding up Nazi-style about 20 young people suspected of being anarchists.

Still things were less chaotic than the day before. I will never forget Friday, July 20.

The police van came careening down the Via Giovanni Tomaso Invrea, moving crazily from one side of the narrow street to the other in pursuit of protesters. I flatten myself against the wall and it misses me by about two feet. Another six inches, and it would have hit the man running ahead of me. "Assessino! Assessino," protesters scream as the vehicle comes to a halt a few yards away and a bald carabinieri steps out to glare at us.

Everything happened so quickly. Just 25 minutes before, at around 2 p.m., a column of about 8000-10,000 people, led by the famed Tute Bianchi ("White Overalls") specialists in civil disobedience, were marching peacefully down the Via Tolemaide towards the 20 foot wall of steel that the authorities had erected around the Palazzo Ducale, site of the G-8 meeting. At the foot of the hill, at the intersection with Via Corsino, carabinieri hidden in a side street started firing teargas in an unprovoked attack that scattered the advanced ranks of the march, where I and a good number of reporters and televi-

sion crews had placed ourselves.

### **The Battle of Genoa had begun.**

Throughout the next four hours, the struggle swirled around the narrow side streets and normally pleasant piazzas in the Corso Torino area. The battle lines shifted several times. The police would attack with teargas, vans, and armed personnel carriers. Hundreds of protesters maddened by the police attack would fight back with stones and bricks ripped from the pavement. Large garbage bins were turned over to serve as barricades. "Genova Libera, Genova Libera," the crowd would cheer each time the police were forced back.

At around 4:20 p.m., I had my first glimpse of a casualty, a man with a head wound being led away by the Tute Bianchi first aid squad. It was around the same time that one protester, Carlo Giuliani, was shot in the head and killed by a carabiniere as he was about to throw a fire extinguisher at a police jeep. Ambulance sirens rent the air non-stop all afternoon. I learned later that some 150 people suffered injuries, including 50 press people!

The police's offensive strategy gave few people a chance to perform acts of civil disobedience. Perhaps the most dramatic was that of a young woman who climbed the wall to place grappling hooks, only to be hosed down brutally by police before she could reach the top. Police were less quick to react when roving groups of anarchists--the so-called "Black Bloc"--engaged in a spree of property destruction that was quick to draw the attention of TV cameras. Anarchists burned several cars, including an Alfa Romeo, with impunity. They also moved down the beautiful seaside boulevard, the Corso Atelier, smashing windows--though it seemed only the windows of banks and car companies were targeted, with unprotected restaurant windows left unmarked by the mayhem.

The anarchists' acts are the subject of impassioned debates among the mainstream demonstrators when they filter back to the Piazza Kennedy at dusk. Pam

Foster, coordinator of a Canadian NGO, says, "I really don't know why the police are so quick to pounce on peaceful demonstrators while taking their time dealing with the anarchists. Fabio Bellini, a 25-year-old Genoan, tells me, "It's right to demonstrate against the G-8. It's right to fight for a better world, and that's why I'm here. But I don't understand the window breaking. I'm sad for Genoa."

There are suspicions that the police and the anarchists might be working together. Han Soete of Indymedia Belgium says that, "There are reports that, as in Prague and Barcelona, anarchists were escorted by police to crisis situations instead of being arrested. It certainly is strange, how long they responded here to reports of anarchist actions."

"Many Italians and non-Italians, however, reserve their greatest anger for the Italian Prime Minister Silvio Berlusconi. "How do you find the truth about this mess? Who provoked whom? But a large part of the reason is this man, who does not have the capacity to lead." Berlusconi is widely regarded as having militarized the G-8 situation, going against the efforts of the local government to accommodate the Genoa Social Forum that coordinated the protest activities. Perhaps the most telling statement came from a former Italian general who commanded a UN peacekeeping mission in Beirut. He said he

could not understand why Berlusconi needed to send 20,000 troops to Genoa when he needed only 2500 troops to secure Beirut during the height of the Lebanese civil war in the 1970's.

As in Seattle, Washington D.C, Prague, and other sites of anti-globalization demonstrations, the organizers of the Genoa Social Forum worry that the critiques of corporate-driven globalization and discussion of alternatives to it might be overshadowed by news about the militant confrontations. For over a week now, the GSF has held marathon symposia on topics ranging from "Mechanisms of Global Democracy," to "Environment and Social Debt of the North," to "Who Needs Trade Liberalization?"

It is unlikely, however, that the G-8 will listen either to the protest or to the ideas of the counter-forum. Berlusconi issued a statement deploring the death of Giuliani, but he suggested that it was unconnected to the G-8 meeting in Genoa. The G-8 leaders, for their part, urged the launching of a new round of trade negotiations at the WTO, something that the tens of thousands who came to Genoa came to oppose.

By turning a deaf ear to the protests and doing nothing to address the crises brought about by globalization, however, the G8 may be rendering itself irrelevant to the world at large.

In Defence Of India's  
Economic Sovereignty and People's Livelihood  
From Onslaught of WTO  
**Rally At Delhi**  
On  
**November 6, 2001**  
**WTO Virodhi Bhartiya Jan Abhiyan**  
*(Indian People's Campaign Against WTO)*

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# G8: Are You Happy?

By Susan George

July 24, 2001

Are you happy, G-eighters? Happy to get together in these palaces in cities emptied of their inhabitants, with all that luxury and your "security" that costs ordinary citizens a fortune? Happy with your unchanging and catastrophic neo-liberal policies imposed with impunity on behalf of transnational corporations and financial markets? Happy to make sure that the injustice on this planet gets worse with every passing year and G-8 meeting? To announce your miserable little health fund amounting to just a tenth of what poor Kofi Annan asked for last month for AIDS alone? To show off your eight impeccable suits-and-ties and your self-referential gesticulations, because the only remaining purpose of your meetings is to reaffirm that you are indeed the G-8.

Are you happy, cops? Happy you finally took out a protestor? You didn't manage that in Gothenburg but you did this time. A big premier in Genoa, a legal murder. That'll teach the little bastards. Tear-gas, water cannon, anti-riot gear, that's for amateurs--bullets are for real men. Blood on the pavement. Crushed bodies. Nice work. Happy too you could raid the alternative media center and the convergence center in the middle of the night, smash the computers, confiscate the cassettes and club people who were sleeping, so there wouldn't be any trace of your activities? Bravo.

Are you happy, protestors? Not the huge majority that backed the Genoa Social Forum--I know you're devastated and some of you bloodied--nor those many "members" of the Black Bloc who were in fact police infiltrators; but you, the genuine Black Blockers, who never participated in any of the preparatory meetings that went on for months, who don't belong to any of the 700 responsible Italian organizations that had decided democratically to practice creative and active non-violence. Are you happy with your unilateral actions, to have willfully infiltrated groups of peaceful demonstrators so that they too got gassed and clubbed; happy to have responded to police provocations which were both foreseeable and foreseen? Are you happy we've finally got our martyr?

His name was Carlo Giuliani. He was 23 years old and he went to the demonstration with his own convictions, that's enough, they weren't ours, but we protest his execution, peace be with him.

The fact remains that this movement for a different kind of globalization is in danger. Either we'll be capable of exposing what the police are actually up to and manage to contain and prevent the violent methods of the few, or we risk shattering the greatest political hope in the last several decades. Whoever bears responsibility for what happened in Genoa--and it is massively on the side of the G-8 and the police, this broad, powerful, international movement, as irresistible as the tide; this movement of peoples united in solidarity that we've dreamed about can no longer go forward in the same way. It can no longer accept that anybody can do anything. A man has died.

If we can't guarantee peaceful, creative demonstrations, workers and official trade unions won't join us; our base will slip away, the present unity--both trans-sectoral and trans-generational--will crumble. We, the immense majority with serious proposals to make; we who believe that another world is possible, have got to act responsibly. Faced with the escalation of State-sponsored terror, we must figure out how to continue our demonstrations and direct action without endangering our people; how to avoid abandoning the terrain of the public space to the explosive ultra-minority. One thing is certain: we can't give up this struggle and we will not stop fighting against the huge injustices of present globalization, but we shall have to find new democratic avenues to wage this fight.

Twenty-five hundred years ago, the great Chinese strategist Sun Tzu said, "Do not do what you would most like to do. Do what your adversary would least like you to do." I fear that today our adversaries are happy. As for me, I'm just trying to surmount the events of Genoa and not give in to despair.

# WTO Agriculture Negotiations: A Sorry Tale of American Arrogance, European Hypocrisy and Developing Countries in Disarray

*By Aileen Kwa*

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As someone who has been watching closely the agricultural negotiations at the WTO for some time, I am still horrified at the arrogance of the United States and the hypocrisy of the European Union, as well as deeply frustrated at the huge power imbalances between the big players and the South. But more than even that, I am angry at the apathy of developing country governments, who in fact realise that 15 years of structural adjustment and WTO has brought greater poverty and destruction to their people, but continue to take only small and timid steps at the WTO to assert their rights. They remain blinded by the neo-liberal doctrine preached daily to them, and paralysed by the tight negotiating space they lock themselves into as a result of trying to ensure that they do not 'anger the gods' and put at risk any preferential trading arrangements and other 'favours' such as food aid, technical assistance or support in the political/security arena. For all these reasons, developing countries open themselves up to being bullied into compromises or submission.

Of course there have been some successes in the past two years -- at Seattle, at Libreville, even at the Least Developed Countries (LDC) conference in Brussels, where developing countries continued to state a resounding 'no' to a new round. But scratch the surface and for many countries this resistance is not in fact as strong as it appears -- and certainly needs -- to be. The crises in developing countries -- of poverty, food insecurity, precarious livelihoods and, with these, the loss of human dignity, deserves a NO a hundred times the strength of what is being muttered by governments in Geneva.

## **Positions Taken in the May Agriculture Special Session**

In the latest agricultural talks at the WTO from 21-23 of May, three topics were on the table -- tariffs, tariff rate quotas and the 'Amber Box'.

All three areas are deeply problematic. The commitments undertaken by developing countries in these areas are antithetical to the needs of an increasingly impoverished agricultural sector. At the same time, the loopholes in these areas which are

used (and abused) by the developed countries must be challenged and stopped, otherwise the rules of agricultural trade will continue to bestow special treatment to the developed rather than developing countries.

To make matters worse, the US and the EU act only on the narrow interests of their agribusiness corporations. In effect, they preach liberalisation to developing countries but continue heavy protection of their own markets.

Take the US. In this meeting, the US had the gall to make the following proposals: First, that the domestic supports provided to developing countries in the Agreement on Agriculture on input and investment subsidies (Article 6.2) should be tightened. Article 6.2 states that developing country members can provide 'agricultural input subsidies generally available to low-income or resource-poor producers ...' The US wants to ensure that developing countries' use of such subsidies are strictly targeted at low-income, resource-poor producers.

And second, they asked that tariff rates in these negotiations be cut from the applied rates rather than from the bound rates. Taking the Agreement in this direction would further narrow the rights accorded to developing countries. At the same time, the US displays its arrogance by asking for expansion of the Green Box of domestic supports (which they use and which are not subject to any limits).

The EU is also taking a position that would allow it to continue its huge trade-distorting subsidies. Although the EU is saying that it will reduce its export subsidies, it is fighting for these to be reduced only slowly. At the same time, it is retaining other types of domestic supports which contribute to dumping, such as the Blue Box (production limiting programmes) and the Green Box.

Japan took a tough though sensible negotiating position on the issue of tariffs. It asserted that countries should have the space to determine their tariff levels according to their internal problems and needs. This position is in accordance to their policy

of protecting rice farmers to retain at least some level of self-sufficiency in rice, although domestic rice production is extremely expensive. Too many countries today are made subservient to the US and EU because of their food needs. The Japanese know this too well and are wisely refusing to trade their political sovereignty in return for rice.

On the issue of tariffs, many developing countries such as India, as well as the ASEAN countries, took the position that until subsidies of the OECD countries are reduced, they would not like to commit themselves to lowering of tariffs.

Other suggestions were also made on how to deal more fairly in the areas of tariff rate quotas and the Amber Box. For example, some members of the Like Minded Group (an informal grouping of developing countries which includes India, Pakistan, Dominican Republic, Cuba and Uganda) highlighted the many problems and loopholes used to circumvent commitments in the Amber Box and the need for these to be redressed.

While these are good suggestions, they do not go far enough in terms of comprehensively addressing the way the industrialised countries are abusing the system of subsidy 'boxes' in the Agreement. (Some countries last year had put forward a further position calling for all subsidy boxes to be collapsed into a single box and for support levels to be brought down to a common maximum percentage).

The voices of developing countries also continue to be subdued, in comparison to their developed country counterparts, as well as subdued in comparison with the urgency of the agricultural crises in so many developing countries today. While Australia, EC and Japan put papers on the table during (actually, 'non-papers' as the meeting had taken place in informal mode), there were no papers from developing countries on specific issues and only one general paper on Special and Differential Treatment. Inputs were made only orally. This was disappointing given that no records will be made of this informal meeting apart from the non-papers presented.

Even this informal negotiating process needs to be questioned. The session last May, the coming July Special Session as well as part of the September session will operate in informal mode. The practice of informal sessions is not new to the WTO, and the

reason given is that it allows countries to have discussions 'off the record'.

On the side, however, a couple of government delegates have questioned the wisdom of this. As one delegate succinctly put it, there were no records of the Uruguay Round negotiations. This has led to problems today, with dispute panels taking it upon themselves to interpret ambiguities, often to developing countries' disadvantage. It would therefore be in the interest of developing countries to have these sessions on record.

### **US: Arrogant Bully in Negotiations**

The audacity of the US's position on tightening domestic supports falling under Special and Differential Treatment is clearly illustrated when one looks at current levels of support to the US farm sector and the billions that are being set aside to continue this support right through the coming decade. Direct payments to US farmers have jumped from 4.6 billion in 1996, to over 32.3 billion in the 2001 (Fischler, Speech at Congressional Dinner, 17 May 2001). The bulk of these payments fall under the Green Box which is not limited and which the US wants expanded. The pretext is that these payments are non-trade distorting since they are not tied to production levels.

This is not all. An additional 79 billion has been allocated for 2001-2011 to compensate farmers in the form of counter-cyclical programmes (that is, when farm prices collapse), conservation, as well as export promotion programmes (Inside US Trade, 25 May 2001). The Agreement on Agriculture rules contain so many loopholes that, according to the US House Agriculture Committee which is developing the new farm bill, these payments will be tailored to fit the present rules of the Agreement on Agriculture.

In contrast, developing countries have little or no financial resources to support farmers. In fact, the agricultural sector in developing countries is taxed rather than subsidised. Food prices are often kept low in order to subsidise the industrial sector and appease the urban population.

Sixty-one out of 71 developing countries in 1996 notified that they provided no domestic supports which are subject to reduction (Amber Box supports). And only thirteen of 71 developing countries notified that they provided investment and

input supports that fall under Article 6.2 which the US is now asking to be tightened. And for all thirteen members, the level of these supports is between 0-5 per cent of their agricultural production (WTO, 1996, G/AG/AGST/Vols 1-3).

The corridor talk in Geneva is that the US is putting pressure on some developing countries. For those that currently provide input subsidies, it is not always administratively possible for them to ensure that the subsidies only go to small farmers and it is likely that a very small percentage goes to the bigger farms. The US is querying this and wants developing countries' input subsidies to be notified as Amber Box payments if they are not accurately targeted.

US subsidises up to 25-30 per cent of its agricultural production and the OECD estimates US' Producer Support Estimate to be 26 per cent of production in 2000. Developing countries' subsidies are unlikely to even reach 5 per cent of their production value, yet the US is preaching to developing countries about following the Agreement on Agriculture rules more strictly.

### **On Cutting Tariffs from the Applied Rates**

The US position on tariffs is that tariff levels in the coming negotiations should be cut from the applied tariff rates, rather than the bound rates. (At the end of the Uruguay Round, members had to fix or bind their tariff levels in agricultural products. However, in practice, developing countries, often due to pressures by World Bank or IMF conditionalities, have used tariff rates that are much lower than the levels bound in the WTO. These are the applied rates.)

According to one developing country delegate, never in the history of the GATT/WTO have tariff rates been cut from the applied levels.

FAO studies on the effect of the Agreement on Agriculture in developing countries have shown that imports have surged into developing country markets due to the lower tariff levels resulting from both structural adjustment and WTO policies. While exports have increased, the amounts have been too small to compensate for the flood of imports. The result has been that poverty has been on the rise in the rural sector as small farmers are displaced.

Developing countries who either voluntarily chose to, or are under pressure by the big players to keep their tariffs way below the bound levels, see that in

these negotiations reduction of tariffs from the higher bound level is, as a government delegate says, 'the only real bargaining chip we have. The US is clearly bent on diluting this'.

According to observers in Geneva, Washington's main area of interest in the present WTO negotiations are centred on securing more market access in agriculture. The agribusiness lobbyists are currently amongst the loudest in Washington. This is one of the reasons why the US remains unenthusiastic about the inclusion of new issues such as competition and investment. Agriculture is already in the built-in agenda and will be negotiated regardless of whether or not a new round is launched. Furthermore, to have new issues, they may have to address the current imbalances in the WTO package of agreements - this could also include the agriculture agreement - when they are more interested in maintaining a strong offensive position in this area.

### **EU's Mutated Multifunctionality**

While the US is infamous for its arrogance, the EU is more sophisticated and indirect. EU feigns concern for developing countries as well as plays up to its own domestic constituency by singing the multifunctionality anthem. In reality, there is nothing environmentally sustainable about the Common Agricultural Policy (CAP). Environmental programmes are like window-dressing for the overall CAP. On a recent visit to a farm in the Netherlands, I learnt that Dutch farmers are given some additional payments for the number of flowers they have on the farm, as well as the number of birds or birds nests. They are also compensated when they have 'natural' features on their property (such as man-made ponds). Yet these EU subsidies go to farmers who farm industrially (even as they include 'natural' features). There continues to be high usage of pesticides and chemical fertilisers and while subsidy payments encourage crop variety, monoculture farm methods are nevertheless employed. There is no expectation that this will change. Farms in the EU are becoming more like US farms. They are highly mechanised due to their size, which makes it impossible for the EU to engage in farming that is truly environmentally sustainable and which uses multi-cropping methods rather than monocultures.

In the end, EU multifunctional agriculture continues to be environmentally damaging internally. Externally, it has the effect of dumping food at lower costs in

developing countries, displacing small farmers, thus destroying developing countries' multifunctionality. For the EU, agriculture production, even at high costs, is necessary to keep their politically powerful farm lobby appeased. But in addition, it makes EU food self-sufficient, and hence independent. It furthermore gives the EU political leverage over countries dependent on them for food aid or cheap food.

Indeed, the EU is so bent on maintaining their domestic supports and even export subsidies that in a recent address, EU Agriculture Commissioner Fischler stated that 'tariffs are the most trade-distorting feature in agriculture, followed by internal domestic support, and then export subsidies' (Inside US Trade 1 June 2001)!

### **Japan's Controversial Position**

In the recent agricultural discussions, Japan has been paraded as the chief recalcitrant -- a trophy that used to belong to the EU. Japan's position on protecting their agricultural sector (especially rice) through tariffs and their stubborn insistence on continuing their high levels of support has raised the ire of many. As a result, countries, such as those promoting liberalisation in the Cairns group, feel that, in comparison, the EU's more tempered position is much more palatable.

It is ironic that Japan's position has been seen as so threatening since Japan itself does not export agricultural products. Apart from protecting their internal market, their subsidies do not bring about the undesirable effect of undercutting other producers in the world market.

Unfortunately, the broader picture is that Japan is closely allied with the EU -- both in agriculture as well as their twin partnership in pushing for a broad round of negotiations. The Japanese position on the continuation of subsidies has the effect of lending weight to the EU's position, which contributes to dumping. As one delegate puts it, the 'EU's work is being done by Japan, while the EU just sits back'.

### **Developing Countries' Weaknesses**

In and of itself, however, the Japanese position on tariffs should in fact be widely encouraged. Countries should, as Japan promotes, have the sovereign right to determine what comes into their borders and not subordinate or enslave their national objectives and interests to trade objectives.

However, the Japanese position on subsidies is flawed in that they do not make a distinction between supports that increase domestic production for domestic consumption, and supports that directly or indirectly subsidise exports. (The present Green Box criteria, that supports should be 'non-trade distorting' is much too vague.) US and EU subsidies should be viewed differently from Japan's since they are big exporters.

Why are developing countries, unlike Japan, hesitant to protect their markets despite the dismal results of agricultural liberalisation through structural adjustment and WTO?

### **Developing Countries Think They have Different Interests**

Developing countries are divided. Some belong to the Cairns Group of exporting countries (although the Philippines, for example, is in the group but has been a net importer since 1996). Others fall under the net food importing camp, and others, such as the Like Minded Group, are attempting to level the playing field through promoting stronger special and differential treatment.

The process of agricultural liberalisation in developing countries, though, for all groups has been alike, and the problems too, which have earlier been spelt out, are almost identical. Indeed, the number of developing countries informally joining the ranks of net-food importers is increasing. Even the big producers, like Argentina and Brazil are unable to deal with the surplus labour displaced from the agricultural sector.

There are broadly two interrelated reasons why developing countries positions have been so weak.

First, most developing countries have bought the promises of market access. Converting small, sustainable subsistence farms to larger export oriented farms seems to be an attractive notion, and a step towards a western constructed version of 'growth' and 'development'.

Second, they have already or are currently being forced to liberalise. This could be through World Bank and IMF, through conditionalities in the African Growth Opportunity Act with the US, even through the HIPC Initiative (World Bank's debt reduction programme which was declared by ECLAC Secretary general Jose Antonio Ocampo "the most conditional programme in history"). Take a small

country like Bolivia, for example. It is no accident that although it has a rural crisis on its hands due to cheap agricultural imports, the country is one of the loudest proponents of liberalisation. Its bound tariff rates are 40 per cent. But their applied rates, thanks to the IMF and World Bank, are only 10 per cent and they provide no domestic supports to their farmers. Given this situation, they are now using their free market status to attempt to exert pressure on the big players to also liberalise, in the hope that some benefits will begin to flow.

Other developing countries may not have liberalised as much as Bolivia. Nevertheless, through dependence -- politically, or economically -- on the US or EU or both, they fight, but in a subdued way. As former President Clinton said, the key is to find out the biggest fear of the country you are negotiating with. Washington does not hesitate to maximise their leverage and play on developing countries' fears and dependence to get what they want.

### **Is There Any Hope?**

Maybe. But certainly not before developing country governments realise a few things:

- 1) The market access bait is a sham. If all countries (including the US and the EU) are looking to get more market access, it is impossible, given the limited markets available, that all parties will get what they want. There will be winners and losers, and more losers than winners. Some developing countries may get some additional access, but in return, they give away more than they receive in terms of their own domestic markets. It seems that in the mad scramble for 'market access', developing country governments have forgotten that they also have internal markets which they will have to trade off if they want more liberalisation.
- 2) Our thinking about economic development needs to be deconstructed and reconstructed. The largely Western-constructed idea of development, that is obsessed with GDP levels, increasing consumption and a fetish for exports, is inherently unsustainable. Export oriented economic growth depends on

extracting and often depleting limited resources -- environmental or human -- converting these to products or services to be sold. In an increasingly competitive economic environment, these products are usually sold far below their real costs. For example, export oriented agriculture is turning once environmentally sustainable small farms to large industrial farms which rely on monocultures and heavy doses of chemical inputs. The output is sold off cheaply. However, in its wake, many countries are left with depleted farmlands that are no longer productive, as well as disastrous climatic conditions.

Developing countries need to come up with their own constructions of development and face up squarely to the fact that 15 years of structural adjustment, five years of WTO, and recklessly enforced liberalisation has brought destruction and huge inequity, rather than equitable growth for their people.

- 3) It is true that our world is increasingly integrated and interdependent. We cannot halt the progress of information and communication technologies. However, developing countries need to be smart about the terms of engagement. Over-dependence on bigger powers for food or other favours is unlikely to put a country in a strategically strong position. This means developing and strengthening our own internal economies rather than expecting an outward-oriented economic policy to lead us to economic growth. Strategic engagement essentially means that we engage only when we have attained a sufficient level of competitiveness to survive opening our markets.

Building and strengthening our internal domestic economies -- both in agriculture as well as in the industrial sectors -- would place developing countries in a much stronger negotiating position at the WTO. It is a long and hard road but the alternative is what we have today -- the increasing poverty-concentration and wealth-concentration -- except in larger doses.

# Water as Commodity : The Wrong Prescription

*Following is a brief prepared from an article by Munde Barlow, Chairperson, Council of Canadians appeared in Summer 2001 issue of "Backgrounder" published by Institute for Food & Development Policy*

While our urge for profit making has resulted in the degradation of our environment leading to the 'global warming', there has also been a constant reduction in the capacity of the earth's water systems to sustain the demands made upon it by us. So much so that 31 countries are facing water stress and scarcity, and over a billion people lack adequate access to clean drinking water. It is believed that by the year 2025 as much as two-thirds of the world's population will be living with water shortages or absolute water scarcity. On top of it, efforts are being made by some to convert this scarce resource into a commodity.

In order to gauge the nature of the 'water crisis' being faced by the world, the leaders and civil society representations gathered at the 10<sup>th</sup> Stockholm Water Symposium in August' 2000.

Maude Barlow, the National chairperson of the Council of Canadians was also one of the participants in the symposium. In the present article she, in the light of the deliberations held, has tried to underline the problems and solutions to the 'water crisis' facing the world.

The writer points out that all the participants agreed that human race has taken water for granted and massively misquoted the capacity of earth's water system to sustain human demands. The symposium also acknowledged that instead of taking great care with the limited water we have; we are diverting, polluting and depleting it at an astonishing rate as if there were no reckoning to come.

But, says Maude Barlow, the consciousness regarding the threat to this scarce resource is certainly growing and efforts are being made to assess the nature of the threat and the solution to it. A growing movement of people believe that the economic globalisation is the real culprit.

## **Economic Globalisation**

Economic globalisation integrates the economics of nation-states into a single uniform market and carries

industrial productions to new levels. According, says the writer, developing countries have restructured their economic systems to pay their debt and export their way to prosperity, destroying both natural ecosystems and environmental regulations. In the new economy, everything is for sale - even those areas of life once considered sacred like seeds and genes, culture and heritage, food, air and water. As never before in history, the public space, the vital commons of knowledge and our natural heritage, has been hijacked by the forces of private greed.

Maude Barlow further points out that in the race to compete for foreign direct investment, countries are stripping their environmental laws and protection of natural resources including water. For instance throughout Latin America and Asia, massive industrialisation in rural communities is affixing the balance between humans and nature. Water use is being diverted from agriculture to industry. The global expansion in mining and manufacturing is increasing the threat of pollution of underground water supplies and contaminating the aquifers that provide more than 50 per cent of domestic supplies in most Asian countries. To understand this, one should look at China. To feed the various global consumer market, China has transformed its entire economy, diverting on large scale, water use from communities and local farming to the industrial sector. The results are for everybody to see - 80 per cent of China's major rivers are now so degraded that they no longer support fish.

## **Water Transnationals**

Just as governments are backing away from the regulatory responsibilities, giant transnational corporations are acquiring control of water through the ownership of dams and waterways. These corporations are gaining control over the burgeoning bottled water industry, the development of new technologies, the privatisation of municipal and regional water services including sewage and water delivery, the construction of water infrastructure and water exportation.

These companies, says the writer, do not view water as a social resource necessary for all life, but an economic resource to be managed by market forces. The goal is to render water as a private commodity, sold and traded on the open market and guaranteed for use by private capital through global trade and investment agreements. A closer and well-documented examination of these companies' practices tells the real story : higher customer rates, dramatic corporate profits, corruption and bribery, lower water quality standards and overuse of the resource for profit.

### **Privatisation**

Transnational companies often argue that privatisation water is the best way to deliver it safely to a thirsty world. But the writer feels that this is yet another area of potential disagreement. She argues that it is true that governments have done an abysmal job of protecting water within their boundaries but the answer does not lie in handing this precious resource over to transnational corporation who have escaped nation-state laws and live by no international law other than business-friendly trade agreements. On the other hand, the need is that governments begin to take their role seriously and establish full water protection regimes based on watershed management and conservation.

### **Pricing**

Privatisation of water ultimately leads to its pricing. And to provide water at a price is against all norms of human right and the Law of Nature. Though some environmentalists do argue that we have taken water for granted and have overused and misused it. Hence pricing water will cause us to start conserving it, at least from economic necessity.

But, says Maude Barlow, this argument is flawed in several ways. First, water pricing exacerbates the

existing global inequality of access to water. To charge the poor people for already scarce supplies is to guarantee growing water disparities. Secondly, the issue of water pricing will also exacerbate the North/South divide. Thirdly, privatisation and subsequent pricing will lead to a two-tiered world - those who can afford and those who cannot. In England, high water rates force people to choose whether or not to wash their food, flush their toilets, or even bathe.

Fourthly, it will seal water's fate as a commodity under the terms of international trade agreements supported by WTO and NAFTA. These agreement clearly state that if water is privatised and put on the open market for sale, it will go to those who can afford it, not to those who need it.

### **Solutions**

The answers, says the writer emphatically, lie within a rejection of economic globalisation and in embracing a whole new water ethic. First, we have to declare that water belongs to the earth and all species, and is sacred to all life on the planet. Second, all decisions about water must be based on eco-system and watershed-based management. Third, the need is for stronger national and international laws to promote conservation, reclaim polluted water systems, ban toxic dumping and pesticides and ban corporate farming. Fourth, water must be declared a basic human right. And fifth, we must declare that water is a public trust to be guaranteed at all levels of government.

But above all, says the writer, we as human beings must change our behaviours. We must emphasize identifying the capacity of our watersheds and also communities identify the limits, we can place upon them. Or in other words - we all must teach ourselves to live within our environments capacity.

**This Is Our Last Chance**  
Join Ranks To Resist Attempts Of  
Stripping People Of Their Right To  
**Livelihood**

# What About Biological Weapons, Mr Bush ?

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*By Devinder Sharma*

On a clear, calm night, a light plane flying over New York, equipped with a crop sprayer and carrying a small cargo of 200 kilograms of anthrax spores, could deliver a fatal dose to millions of inhabitants of the Big Apple. And by the time the rest of the world wakes up to the horror of the new terror from the sky, there would be no defensive measures to protect the people from the epidemic spread of new and uncontrollable diseases.

The entire city can be wiped out in one aerial strike. Anthrax is actually a bacterial disease of cattle and sheep, but its pneumonic form can kill humans. Properly "weaponised" to the precise particle size, the spores pass through the lungs to other tissues releasing toxins in the process. In a matter of few days, the victims collapse from respiratory failure, hemorrhage and toxic shock, turning the bustling city into a city of death and destruction.

This is no science fiction. It is, in fact, a chilling sequence based on the 1993 report of the United States Office of Technology Assessment (OTA) on weapons of mass destruction. Ironically, as the world is being told that Osman Bin Laden is scouting for biological weapons to fight the American onslaught after the barbaric demolition of the twin towers at the World Trade Centre in New York, it is the United States that leads in developing biological weapons and that too in the name of 'a broader research effort to improve US defenses against biological agents'.

The New York Times reported on September 4 that the Pentagon had secretly built a germ factory in the Nevada desert capable of producing enough deadly bacteria to kill millions of people. It also divulged that the Nevada project is one among the number of covert biological initiatives pursued by the US over recent years. This has angered the Russians, and to some extent the Europeans, who have voiced concern over American plans to develop a potentially more lethal version of the bacterium that causes deadly anthrax.

Accordingly, American scientists have constructed at Camp 12 of the Nellis Air Force Range in Nevada a 50-litre cylinder capable of cultivating germs out

of materials bought commercially from hardware stores. While the aim was to demonstrate how easy it is for a terrorist group to construct one of its own without being detected, the fact remains that the simple procedures to amass biological weapons was already known and well established. In another experiment, the Pentagon is planning to engineer a more potent version of the bacterium that causes anthrax.

It is primarily for this reason that George Bush had recently refused to sign the draft agreement aimed at further strengthening the 1972 Convention on Biological Weapons, which prohibits nations from developing or acquiring weapons that spread disease, but allows work on vaccines and other protective measures. Being a signatory would have made the US disclose the biological germ research even if it is for defensive purposes. The 'high-handedness' of the American government, when it comes to going by the international norms and protocols, has earlier been exposed with the US President refusing to sign the Kyoto protocol on climate change and by threatening to dismantle the 1972 Anti-Ballistic Missile Treaty because it 'affected' American interests !

Sadly, Mr Bush's flawed policy initiatives are a complete turnaround from what his predecessor, Richard Nixon, had unilaterally followed by renouncing biological weapons in 1969, stating: "mankind already carries in its hands too many of the seeds of its own destruction." Perhaps, the American President is looking for another dominant industry (in biological weapons) to sustain the US economy. Already, America has sold arms worth US dollar 152 billion ever since the end of the cold war. And as the Center for International Policy in the US estimates, nearly 80 per cent of these arms exports to the developing world go to non-democratic regimes. And not surprisingly, while the stocks tumbled after the New York blasts, that for arms and ammunition have shown a remarkable increase.

How serious is the threat can be gauged from what the OTA report states. It's list of probable weapons

of mass destruction includes plague; small pox; tularemia, a plague-like disease; and botulism, caused by a toxin from the common food-poisoning bacteria *Clostridium botulinum*. Such biological weapons have long been the stuff of nightmares, but recent developments have turned this into a grim reality as we entered the new millennium. The threat becomes more serious with more and more biotechnology companies emerging on the horizon and given the fact that the technology does not require much sophistication and investment.

In the recent past, the aftermath of the Gulf War brought into focus the horrors of germ-warfare that lie in store. Microbiologist Raymond Zilinskas of the University of Maryland Biotechnology Institute in the US, who participated in the UN's hunt for Iraq's biological weapons after the Gulf War, told the journal *New Scientist*, "The Iraqis, as far as we know, never mastered the art of weaponising their bacterial agents, which included anthrax. Most of what the UN investigators found were crude preparations mounted on conventional bombs and missiles, which might not have dispersed very well." But he notes that less ambitious attacks also pose a threat. For example, a crude slurry of anthrax spores left in the tunnels of an underground railway system, where wind created by passing trains would dry and blow them around, could claim thousands of lives.

Iraq is not the only country to have gone into the production of biological weapons. Ken Alibek, a former deputy director of a top branch of the then Soviet Union's germ-warfare programme who defected to the United States in 1993, has in an explosive book, "Biohazard", revealed two of the world's biggest biological weapon programmes. Accordingly, China had suffered a serious accident at one of its secret plants for developing biological weapons. Soviet spy satellites had found a large biological-weapons laboratory and plant near a remote site for testing nuclear warheads. Intelligence agencies corroborated the fact with reports of two epidemics of hemorrhagic fever that swept the region in the late 1980s. "Our analysts concluded

that they were caused by an accident in a lab where Chinese scientists were weaponising viral diseases", he writes, adding that viral scourges that caused intense bleeding included Marburg fever and the dreaded Ebola virus, both endemic to Africa.

Alibek had helped run about a dozen of the 40 institutes that were part of Biopreparat, the civilian cover group, used "exclusively" for offensive agents and weapons for the Soviet military. Significantly, it was after his defection that the American Administration had accused China of indulging in a biological weapon programme. The Chinese had denied the allegations.

"Biohazard" also talks of the Soviet programmes that included tinkering with the genetic make-up of anthrax disease so as to make it resistant to five kinds of antibiotics. He blames the Soviets for clandestinely obtaining a sample of the AIDS virus from the US in 1985 and efforts to turn it into a weapon.

And as Alibek warns, the biological weapon programme is not only confined to one or two countries. After he fled and took up residence in the US, he has been approached by several countries and ostensibly for his deadly expertise in the art of germ-warfare. Included among these are South Korea, France and Israel.

Much of the problem is because the international community has given a free hand to the unstinted growth of the biotechnology industry. The genetic engineering industry, entirely in private hands, is outside the purview of any regulation and control of the society or the democratic systems at large. In fact, it is the political leadership, whether in the US, Britain, Japan, Australia or in developing countries like India and China, that provides support and promotes the horizontal spread of the genetic engineering industry merely to seek more finances for electioneering and party funds. Perhaps the global community is awaiting another dastardly disaster from offensive genetic engineering before it decides to 'retaliate'. It will then be too late.

*(Devinder Sharma is a Biotechnology Policy Researcher and Analyst)*

# Education Under WTO

Against the background of globalisation and with free trade being put forward as a cure-all by the champions of economic laissez-faire, education is now "in the sights of entrepreneurs". Global public spending on education tops one trillion which some observers are already describing as a colossal "market". Since major public services such as telecommunication, the railways and even the health services have been subjected to extensive privatisation and deregulation, public education is increasingly being targeted by predatory and powerful entrepreneurial interest. Higher education is particularly threatened by this upheaval.

With the General Agreement on Trade in Services (GATS), came what were probably the first open discussions about promoting international trade in education services as if these were every day consumer goods. In fact, there is a major risk that the WTO's initiatives will clash head on with the principles upheld by all those who value a quality public education system.

Global trade in services is of recent development but has experienced an unprecedented boom. In 1997, it amounted to US \$ 1.295 trillion which is set to grow rapidly, particularly as a result of the emergence of large free trade areas and the swift development of ICTs.

## **FOUR FORMS OF INTERNATIONAL TRADE IN EDUCATION**

GATS excludes services provided under government authority and which is without a commercial purpose. One could be led to believe that education remains outside the scope of the Agreement. But to be excluded from the scope of application of the GATS, the education system of the country in question must be completely financed and administered by the state. Also, it must not have any commercial purposes. As very few - if any education system remain, which fulfil these conditions, most, if not all of them fall within the scope of application of the Agreement. Also, that courses offered by public institutions which require the payment of fees fall within the category of "commercial activity".

Advocating a much more gradual liberalisation process during the Uruguay Round in 1994, the two

basic principles of underlying the GATT (comodities) were preserved and adopted in the GATS (services). The two principles in question are that of the Most Favoured Nation and of National Treatment. The first of these requires any GATS member country which grants favourable treatment to another country as regards the import or export of services to grant the same treatment to all other GATS signatories.

The National Treatment principle stipulates that foreign companies which are present in the market of a given country must benefit from treatment at least as favourable as the national companies operating in that same market.

Secondly, GATS sets out the terms of each member's specific commitments to liberalise on a sector-by-sector basis. At this stage the agreement is a "bottom-up" agreement, which means that member nations choose the service sector they wish to open up to foreign providers.

The idea believed in these principles is the creation of an open, global market place where services, like education can be traded to the highest bidder. In the agreement of WTO's GATS, four types of trade in services are covered.

1. The cross-border supply from the territory of a member country to another member country. In the case of education sector Distance Education is subsumed under this category.
2. The consumption of a service abroad by the citizens of a member country on the territory of another member country. The most common example of this is under taking a course of study abroad.
3. The commercial presence of a service supplier from a member country on the territory of another member country, enabling the supplier in question to provide a services on that territory. On the education sector, the activities carried out by foreign Universities or other institutions fall within this category.
4. The presence of natural persons enables a form of trade resulting from the mobility of people from one member country, who supply a given service in another country. As far as education is concerned, courses offered by

foreign teachers are a classic example of this.

### **New Trends**

For teachers, students and a majority of citizens the term "education is usually associated with public service. The WTO has a rather different view of the matter. The systematic use in its documents of expressions such as "the education market" is highly indicative of the commercial approach which characterises this institution's entire discourse.

Within the WTO, the education "market" is divided into five categories which are primary education, secondary education, higher education, adult education and other education services. Amongst these the higher education is threatened most with disturbing developments. WTO recalls that several countries have replaced detailed regulations with new "frameworks laws" giving the functioning of Universities a higher degree of autonomy and also reducing the level of funding provided. This results in increased competition between educational establishments to seek new sources of finance, which pushes institutions into cutting back their costs and increasing their income by all available means. This leads Universities to adopt the behaviour of commercial companies. One consequence of this is that the conquest of foreign markets has become a common strategy.

Among the new trends that have emerged, "twinning agreements" and distance learning are becoming increasingly popular. "Twinning agreements" are institutional arrangements providing a commercial presence. They enable private higher education establishments from a given country to offer courses leading to degrees issued by a foreign University. These agreements result in "franchising of specific courses or programmes. Distance learning has witnessed a boom with the advent of ever more sophisticated technologies such as - audio conferences, video conferences CD ROMS and the internet. In short, the form and structures of higher education are in the process of being revolutionised. The traditional Universities are increasingly being outshone by their "younger virtual sisters", "cyber universities" and "virtual campus".

### **.... Against National Interest**

The general climate of austerity and the widespread adoption of a neoliberal outlook by decision-makers have opened the door to private companies in the

role of saviours of a sector which is basically perceived as going through a deep crisis. Are we witnessing the setting up of a globalised private market in higher education ?

The WTO led movement for the liberalisation of international trade in services will have major repercussions on the future of higher education and more generally, of public education. Once a country has made a commitment, it cannot introduce new restrictions on foreign service providers without giving some form of compensation to countries affected by such protectionist measures. Also, in accordance with the so called "roll back rule" it is expected that as time goes by, member countries will open up their markets further, lifting more and more restrictions on trade. On the commitments schedule, the commitments and limitations are indicated for each of the four forms of trade i.e. - cross-border supplies, consumption abroad, commercial presence and presence of natural persons.

Most importantly, the issue of subsidies was one of the hotly disputed under pretext that this undermined "free trade"! Imagine the serious consequence of such a measure for many education systems. Because services are not objects, barriers to trading services are referred to as non-tariff barriers. The goal of "free trade" is to remove these barriers to further liberalise the world economy. In the case of education these barriers refer to government regulations which include - immigration regulations, exchange controls and nationality requirements of students and teachers, non-recognition of equivalent qualifications, rules regarding the use of resources, and government subsidies to national institutions. If any requirements are considered to be discriminatory vis-a-vis foreign suppliers, they will be treated as non-tariff barriers and will be deemed to contravene the agreement.

Consider the case of a country that agrees to implement the GATS. The government would be unable to accord a differentiated treatment to foreign suppliers by restricting -

- \* the number of suppliers of education services in a given subject area.
- \* the total value of education services per sub-sector.
- \* the overall number of institutions in a given sub-sector or subject area.

- \* the number of holders of degrees or other qualification in a given sector by applying a quota system in a given subject area.
- \* the number of teachers in the higher education sub-sector.
- \* the legal form of the partnership that an education service supplier may adopt to implant itself in a given market.
- \* the share of the market held by foreign suppliers or the amount of authorised foreign investments, whether in terms of individual companies/person or as regards the sector as a whole.

Such an opening-up of the education sector would give a free hand to a small number of transnational corporations specialising in education, who could establish subsidiaries wherever they want by using computerised, ready-made and standardised teaching modules. Such modules would be based on a single system of values and would project a single outlook as reality. The courses would be run by small units of highly mobile personnel who would travel from one country to another. As already happens in other sectors, a few large companies would compete for the spoils of the "education market".

Imagine it ..... You are a Mexican student. But as you sit in your newly constructed virtual classroom, you cannot understand what is being taught - the professor on the screen is speaking English! Soon you realise that the Education Corporation of USA has just bought your education services. You know that you will be groomed for a wonderful future in bio-transgenic engineering! Now all you have to do is learn English! This is not as far-fetched as it seems. With the increasing commercialisation of education, many particulars we take for granted are being threatened. Face to face contact with teachers will slowly be phased out. As education standardisation is institutionalised through international equivalency, the uniqueness of each educational institution will vanish. The whole idea of culture will be threatened as this standardisation eliminates cultural focuses, thoughts, language and educational themes. The most powerful corporations, and countries will control the

educational agenda of the world. With corporate controlled education, the security of the educational institution will disappear as it loses out to big merger deals and high-stakes investing. In fact no longer will truth be sought, but rather, whatever suits the interests of the multinational. Students will be paying to work for a corporation, as it contracts with or owns their educational institution. There are even more unsettling possibilities. If student financial aid was challenged as an unfair government subsidy, we could see a further narrowing of educational opportunity to a narrow elite or, more precisely, a stratification in which class determines what sort of training you can afford and therefore what sort of job you are qualified for.

This assault on education is being led by the world's trade representatives in their new function: unelected, unaccountable corporate goons deciding world governmental policy in the name of "free trade". With their hands in the pockets of the various multinational corporations, they have succeeded in establishing a new world government based on profit. This is a government of and for the corporation - an extremely undemocratic, authoritarian institution. What better way to institutionalise corporate rule, than to create a mild, corporate-run education system to reproduce standardised people. All hail ....WTO!

Educational system in any society fosters intellectual growth and in doing so, allows for critical thinking. The WTO is undermining our very means of resistance. There will be no power base to fight from if universities become a business. Even worse would be if corporate universities are able to retain the semblance of contribution to personal and societal growth and use that association to validate their existence.

What is necessary is reframing of our questions and actions. We cannot ask, "what corporation did what?" but rather "why is that corporations are able to do this?". How did we get to a point where corporations had the rights of individuals and the power of government? With regards to education, we must ask, "what is the purpose of education?" We must then act to ensure that what is called education in our world is truly education.



# Task Force on Employment Opportunities : Fraud on Nation

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*"This document is in the form of a report on 'Task Force on Employment Opportunities' prepared by Planning Commission, Government of India"*

The document is a detailed one focusing on the crisis being faced by the organised labour sector in India in the face of globalisation and liberalisation of the economy. It also reviews various employment generating government programmes in the rural areas and formulates a broad approach on employment strategy for the future.

The report has been divided into following chapters:-

1. The employment, unemployment situation : an assessment
2. The role of economic growth in employment generation
3. Sectorial policies for employment promotion
4. The role of special employment programmes
5. Labour force skills and training
6. Reforms of labour laws
7. Summary of recommendation

Apart from these chapters, the report also has an appendix containing the details of the formation of the 'Task Force' terms of reference and the names of the members of the task force and those visited to all its deliberations. The report also contain a total number of 32 tables related to the employment/unemployment data.

The document starts with an overview of the report wherein it admits an increase in the rate of unemployment in the 1990s.

It mentions the National Sample Survey (NSS) data which shows the rate of unemployment increases from 6.03% in 1993-94 to 7.32% in 1999-2000. However, it points out that since the NSS survey shows a sharp deceleration in the growth of the labour force from 2.3% in the period 1983 to 1993-94 to a little over 1.0% in the period 1993-94 to 1999-2000, the employment growths shows a comparable deceleration.

Holding the view that purely quantitative approach to employment ignores the very important issue of the low "quality" of employment which the source of much of the current unhappiness with the employment situation, the 'Task Force' report clearly

states that employment policy in future must also focus on improving the quality of employment. It says - "the quality of employment is important not only for the new employment opportunities to be created to absorb the new entrants to the labour force, but also for existing employment opportunities - a large part of which are clearly of low quality. Accordingly the report advocates a substantial structural change in the pattern of employment over the next ten years, with certain types of traditional low quality, low income employment opportunities gradually disappearing and being replaced by higher income, better quality employment.

Going through the report, a feeling increasingly sets in that there has been a deliberate attempt to sideline the employment interests of those living at the lower economic strata of society. Repeatedly, the stress has been laid on the need to have qualitative employment rather than quantitative one.

True, the qualitative employment will bring more generation of income, but then what about those millions still unemployed and have no source of income at all. The report seems least concerned about them. All it feels concerned about is 'better educated new entrants to the labour force'. And for then the report says that 'the employment problem for this group can not be addressed simply by creating more jobs of the same low quality as exist at present. What is needed is a strategy that will create more high quality jobs which generate higher levels of income. But here is a catch. Living the generation of more employment to the GDP growth, the reports advocates a growth between 8% to 9% GDP to bring about a significant improvement in the employment situation. But given the performance of successive governments, this percentage of economic growth is hardly achievable. So we again come back to square one.

Moreover, the report makes the present employment guarantees scenario more gloomy by discounting any expansion in the public sector and targeted programmes for employment generation in rural

areas. Emphasis is more on achieving rapid growth through macro-level policies and reforms, thus setting the field open for the private sector and multinational companies. And these private and multinational companies are known to be governed more by profit-making motive rather than generation of employment.

How the entire exercise of the 'Task Force' has been centred around paying a lip service to the designs of foreign financial institutions has clearly been shown in its recommendations to bring about changes in the existing labour law of the country. In the name of achieving rapid growth and citing the cases of other developing countries, an attempt is being made to put the employees future at the mercy of the employees. By recommending the need to abolish the requirement of prior permission of government

for retrenchment, lay-offs or closure by deleting chapter VB from the Industrial Disputes Act, the report not only makes vulnerable the future of millions of employed workers but also puts the future generation of employment seekers at a great disadvantage. By further recommending 'the policy of hire and fire' under the system of short term employment contracts, the report has turned the work-force into a commodity to be brought and dumped at will. This is the greatest disservice done to the human resource of this country.

Going through the entire report prepared by the 'Task Force', one does not far to carry the impression that the report has been prepared on dotted lines.

But than this was to be expected, considering the background of the person heading the Task Force.

The argument put forward by the Task force in its report that the aggregate employment problem in the country can be solved only through a process of accelerated growth falls flat in the light of the results shown by the economics of most of the Western and European countries who treated the path of economic reforms with the sole stress on accelerating the GDP.

The experiences of these economics, as reflected in the available data, clearly prove that there is no direct link between the growth in GDP and increase in employment; rather it shows that GDP growth always results in the decline of employment.

For instance, the Graph of West German economy shows that since the introduction of reforms, the GDP has been growing constantly reaching 147 points in the year 1990, the employment has been declining reaching just 105 points the same year.

Similarly in France, while GDP reached 148 points in 1996, the employment remained at 109 points. In United Kingdom, while GDP kept on rising constantly from 110 points in 1980 to 152 points in 1996, the employment, on the other hand has been declining reaching 105 points in the year 1993-96.

In USA, though the graph for employment (118 points) remained closely following the GDP (120 points) till 1981-82, the decline started thereafter. Thus in 1996 while the GDP reached 175 points, the graph for employment touched just 140 points.

In Italy also, while GDP has constantly been on rise reaching 155 points in 1985, the employment remained constant at 100 points since 1970, increasing out by 8 points in the year 1985.

And lastly, in Japan the scenario has not been much better. While GDP rose to the level of 180 points in 1996 from the level of 100 points in the year 1976, the employment rose only to 120 points while already touching 100 points in 1980, showing an increase of more 20 points during the long period of 16 years.

# We Are Not Alone

## **Europe**

Coal mine explosion in Romania kill 14 workers  
Miners at a coal mine near the small town of Vulcan, 400 km west of Bucharest, Romania refused to go underground on August 7 following an explosion that killed 14 miners and injured two others. The blast deep underground was the worst accident in the local mining industry in the Jiu Valley for 15 years.

The 14 miners were aged between 20 and 43 years. A gas leak 350 metres (1,150 ft) underground caused the explosion. Officials said that 16 coal miners were working at the level where the blast occurred. The coal mine employs around 1,500 workers and dates back to the 19th century.

Miners refused to go underground until they had been informed as to what had caused the explosion.

The conditions at the coal mines in the area have long been the source of disputes and industrial action. Such intolerable conditions include poor ventilation and the use of obsolete, antiquated equipment. In the past four years more than 70,000 redundancies have halved employment in the industry. In 1999, a plan drawn up by the World Bank called for the closure of 29 pits in the Jiu Valley. This was part of a national plan to shut some 230 loss-making pits over the next three years.

## **Africa**

Auto Workers strike in South Africa About 21,000 workers in the auto manufacturing industry in South Africa began an indefinite strike over their annual wage claim, disrupting production at most leading motor manufacturing plants. The National Union of Metalworkers of South Africa (Numsa) led its members out on strike at DaimlerChrysler SA's plant in East London, the Delta Motor plant in Port Elizabeth, Toyota SA's

plant in Durban, BMW SA's plant in Rosslyn, Volkswagen SA in Uitenhage and Nissan SA in Rosslyn. Workers at the Ford Motor Company of SA's plant in Pretoria were locked out.

The auto strike is part of the annual pay round negotiations in South Africa. Workers in the electrical power industry returned to work at the

end of last month after three days on strike, following an improved pay offer in which the lowest-paid workers will receive a 10 percent wage increase while the highest paid will receive a 7.5 percent increase. Eskom, the power utility, had offered wage increases in the range 7 to 9 percent whereas the unions had demanded 9 to 11 percent. Strikes were narrowly averted in the gold and coal mining industries, as well as the steel sector, as the

National Union of Mineworkers (NUM) and Numsa agreed to wage deals and called off proposed action. The NUM's 200,000 members had voted overwhelmingly in favour of a strike.

## **Latin America**

### **National Strike in Uruguay**

A 24-hour general strike in Uruguay, organized by the United Workers Central (CUT), to protest increasing unemployment-now at 15.6 percent-paralyzed the public sector on July 25. The strike was less successful among private sector workers because of employer intimidation, union officials said. The country's economy has suffered during the last three years as a result of the devaluation of Brazil's currency, the real, and the current Argentine economic implosion. Its beef exports have also been hit by an outbreak of hoof and mouth disease.

Protests over wage cuts and unemployment in Argentina On July 27, 2,000 workers marched on the provincial government building in Posadas, Misiones in Argentina's northeast after 21 Peronist legislators joined governing parties to approve wage and pension cuts of 13 percent and higher. A police attack with tear gas and high-pressure water hoses led to a violent street battle, which left 20 people wounded and 15 arrested. As a consequence of the vote, Misiones' teachers launched an indefinite strike. Together with hospital doctors and other public employees, they have set up tents across the street from the provincial government offices.

The government is pressuring the nation's labor unions to abstain from the protest and special police details have been assigned to guard the oil refineries in Neuquen Province. The CCC is demanding the government rescind cuts in wages and pensions, continue assistance to the unemployed and free those

jailed during previous mobilizations.

### **Protests Against New Taxes in Guatemala**

Five students were wounded in Guatemala City on July 26 during protests against new taxes. Police moved in on demonstrating students and workers who were burning tires in front of Congress as it voted to raise the Value Added Tax (VAT) from 10 to 12 percent. In addition, excise taxes will increase on liquor, cigarettes and bunker fuels that are used by industry.

### **United States**

Illinois power workers strike continues Some 1,150 power workers entered their second month on strike against Midwest Generation of Illinois as company and union officials resumed talks July 27. The strikers, members of the International Brotherhood of Electrical Workers Local 15, rejected Midwest's wage offer as insufficient and are opposing the violation of work rules and use of outside contractors.

Midwest is operating its facilities with management personnel. The company provides about one-fourth of all electricity for the state and up to 40 percent of the power for Chicago's west and northwest suburbs.

### **Asia**

#### **Bangladesh**

Bangladeshi workers crushed to death Twenty-three workers, 14 of them women, were crushed to death on August 8 when they attempted to escape from an eight-story factory building in Dhaka after a fire alarm falsely sounded. The death toll could climb higher with than 100 workers were injured in the accident.

Although the building houses four factories-Mico Sweater LTD, Europe Garment, Ajax Sweater and Four Wings Garments-its main northern and southern exits were locked. The southern gate was not opened until 15 minutes after the alarm.

Bangladesh factory owners regularly lock emergency exits claiming it is necessary to stop theft. The tragedy follows the Chowdhury Knitwear fire of November 25, 2000, when 51 workers, including child labourers as young as 10, were burnt to death.

### **Sri Lanka**

Postmasters in Sri Lanka on work-to-rule campaign Sri Lankan postmasters launched an indefinite work-to-rule campaign from midnight, August 5, to demand that all charges laid against postal workers following a 53-day strike in 1998 be dropped.

The postmasters are also demanding the government fill all vacant positions, as it promised to do in August last year, maintain a monthly phone subsidy at its current rate and reopen the closed Colombo general post office.

### **Pakistan**

Pakistan airline workers protest over safety Pilots and flight engineers at Pakistan International Airlines (PIA)-Pakistan's national carrier-initiated a protest campaign on August 2 against the extension of flight duty time. Prevented from taking industrial action by the country's military regime, the workers are wearing black armbands to indicate to passengers that air safety is being compromised by increased fatigue. PIA is on the verge of bankruptcy and the government has ordered management to resolve the financial crisis.

### **Australia and the Pacific**

#### **Australian Construction Workers Strike Over Work Place Deaths**

The death of two men on building sites in just four days has triggered strike action by over 50,000 Victorian construction workers. On August 2, a 45-year-old man fell to his death after a scissor lift he was operating toppled over. Workers across the state struck the following day, demanding full safety inspections of all such equipment. They struck again on August 6, after a 53-year-old worker was crushed when a 20 tonne crane counterweight fell into an external hoist, causing it to crash to the ground from the tenth floor of a Southbank building site in Melbourne.

The two deaths brought the total number of fatal industrial accidents in Victoria to four in seven days. The other workplace fatalities were a maintenance worker, crushed by a furnace door at West Footscray, and a man who was hit by a tree being felled at a farm on the Murray River.



## Resistance in the European Countries

Till some years back we were made to believe that poverty, unemployment, lack of opportunity for education, lack of health care are third world problems. Developed nation like America and European countries have no such problems. Not only that, when the process of globalisation started, the picture that was presented to us suggested that the adverse impact of globalisation will not be felt in these developed countries. We were asked to forget simple economics that if a few people are making huge profits many people will have to pay the cost. After all where will the money come from. If few pockets are going to be filled completely then many pockets are going to be emptied completely. And profit earners do not show any bias. They got to earn! Why should they be bothered about who is paying the cost. As we have been publishing reports of struggles all over the globe against globalisation, people have realized that it was a myth created by the forces of globalisation that the adverse impact of globalisation will not be felt in developed countries. Here is another example of why the people in Europe have taken to streets. Excerpts of the charter of demand by The European Marches can throw ample light on what the masses in Europe are going through. Major demands in the charter are as follows:

"For an income that will give each and every person a decent standard of living without discrimination of age, sex or origin or any other form of discrimination.

*At a time when profits have never stopped growing, millions of people in Europe live below the poverty line. We demand that everyone should have the right to a guaranteed individual income according to the wealth produced by society which covers the basic needs for a decent standard of living.*

For the right to work:

- For the right to an independent and free choice of work, total opposition to workfare measures under the pretext of »return to work« or any attempt to impose unacceptable working conditions on the unemployed. For massive new jobs that are socially, culturally, ecologically useful with guaranteed salaries and terms and conditions of work.
- For an immediate, general and massive reduction in working hours with job creation, without loss of salary or purchasing power, without flexibility or annualisation.
- Total opposition to all lay-offs, starting with those firms that have made profits.
- Total opposition to all forms of precarisation of working conditions and wages and against imposed part-time work, and insecure jobs.
- Total opposition to child labour and exploitation of immigrant workers in undeclared jobs.
- For equality in law and practice between men and women. Total opposition to any form of discrimination that prevents equal access to jobs and salaries to women.
- For improvements covering all existing social Rights in Europe that all European member states must undertake, these rights to be aligned on the most advantageous social gains and rights for all citizens, and to include free access to all essential services, in particular, for the low paid and the unemployed. Right to good health-care for all".

These demands clearly show that European masses are fast heading towards unprecedented unemployment and poverty. They are being denied basic rights like health, education, housing, water, electricity, sanitation etc. Child labour which these countries always claimed that it did not exist there, has become a major problem. The people in Europe, America and South America have realised the gravity of the problem they are faced with. The forces of globalisation stand exposed. Now it is the turn of the people to take on these forces and carry the battle to the last. And indeed they are doing exactly the same.

**PEACE** is in the process of providing a platform for all the peoples' struggle in India named "**struggleindia.com**"

## **struggleindia.com**

A site dedicated to people's struggles. Occurring locally, regionally, nationally and of course globally as well. It is an attempt to highlight peoples' struggle, be it political, social, economic and above all existential struggles. A site committed to provide horizontal linkages to diverse struggles, so that local struggles can be linked with wider ones.

It is our endeavour to provide a forum on-line for local struggles to have a wider reach so that many others sharing the same worldview can access and appreciate the facts; the issues and identify the forces which are empathetic, as well as inimical to the popular current. Our effort is to bring together all those who want to stem the tide of history and forces who are willing to flow against the current... espousing long-nurtured thoughts and ideas about a sustainable and equitable society... on this earth ... on this planet.

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- ◆ Is a bond between struggling people, their concerns and their organisations.
- ◆ Is a collective effort of action groups, their supporters and sympathisers spread over the nook and corner of India sharing the ethos of a humane, harmonious, equitable and just society.
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- ◆ A forum to link struggles advocating the same issues and causes with other like-minded movements, erupting in remote parts of the country, so that each struggle is strengthened by the field level experiences and reflections of fraternal movements leading towards a joint front.

**We will be happy to receive information about your organisation's struggle in including following details.**

- ⇒ Background of the issue :
- ⇒ Location :
- ⇒ Organisation name :
- ⇒ Demands :
- ⇒ Actions taken by the organisation along with dates :
- ⇒ Events :
- ⇒ Contact person name :
- ⇒ Address :
- ⇒ Telephone /Fax :
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