

WTO and Cancun: Success or Failure?

29 Sep 2003

The fifth **World Trade Organisation** meeting took place in Cancun, Mexico in September 2003. Thousands of protestors, farmers organisations, peasants, environmentalists, trade unionists, workers and many other groups opposing the World Trade Organisation, corporate **globalization** and militarism converged to express to delegates at the conference their abhorrence of policies that would reduce the quality of millions of peoples lives and environments around the globe.



Look at the picture:

What does this photo tell you about the environment in Cancun?

Why are the protestors cheering?

Why are there warships patrolling the shoreline?

In recent years, increasing numbers of people from around the globe have been meeting up at WTO conferences to express their disapproval of the way that global capitalism and its policies have been reducing peoples economic, social and personal freedoms and opportunities. This is often seen in direct conflict with the WTO who claims that its policies are for the improvement of peoples' lives

Thousands of protesters were barricaded away from the conference centre. The picture above shows protesters cheering because the police had been blocking them from getting to the beach, but finally let them through. At peaceful demonstrations and marches activists and protesters were injured in clashes with the police. Many protesters have been injured, threatened with deportation or banned from Cancun as well as some being refused entry into Mexico.

On Wednesday 10th September, the leader of the Korean Federation of Advanced Farmers Association Kyong Lee took his life in protest at the WTO Policy. In a letter he wrote before he committed suicide he stated: -

I am a 56 year old farmer from South Korea who has strived to solve our problems with the great hope in the ways to organise farmers unions soon after the Uruguay Round Agreement, we Korean farmers realized that our destinies are no longer in our own hands. We cannot seem to do anything to stop the waves that have destroyed our communities where we have been settled for hundreds of years. I have tried to find the real reason and the force behind those waves, and I reached the conclusion, here in front of the gates of the WTO I ask: for whom do you negotiate now? For the people, or for yourselves? Stop basing your WTO negotiations on flawed logic and mere diplomatic gestures Since (massive importing) we small farmers have never been paid over our production costs. What would be your emotional reaction if your salary dropped to half without understanding the reasons? Farmers who gave up early have gone to urban slums. Others who have tried to escape from the vicious cycle have met bankruptcy due to accumulated debts. Once, I went to a house where a farmer abandoned his life by drinking toxic chemicals because of his uncontrollable debts Widely paved roads lead to large apartments, buildings and factories in Korea. Those lands paved were mostly rice paddies built by generations over thousands of years. They provided daily food and materials in the past. Now the ecological and hydrological functions of paddies are even more crucial. Who will protect our rural vitality, community traditions, amenities and environment? I believe that farmers situation in many other developing countries is similar. We have common the problem of dumping, import surges, lack of government budgets and too many people.

My warning goes out to all citizens that human beings are in an endangered situation. That uncontrolled multinational corporations and a small number of big WTO members are leading an undesirable globalisation that is inhumane, environmentally degrading, farmer-killing, and undemocratic. It should be stopped immediately. Otherwise the false logic of **neo-liberalism** will wipe out the diversity of global agriculture and be disastrous to all human beings

The Cancun round of the WTO ended with no agreements being reached with deep divisions between the United States, European Union and Japan on one side and a group of 23 countries (G23) led by Brazil, South Africa, India and China. The disagreements concerned agricultural issues and proposed rules the WTO would make in light of issues such as investment, competition, trade facilitation and TRIPs. It was viewed by G23 that these measures, if passed, would increase the gap between economically rich and poor, and consequently reduce millions of peoples rights to access of resources, services and economic profits in favour of those countries that already hold economic and military power in the world.

No to the WTO?

In recent years the World Trade Organisation has received an increasing level of criticism from a diverse range of **grass roots**, community and Non-Government organisations concerning its priorities and political agendas.

Massive grass roots protests in Seattle in 1999 and in Genoa in 2001 meant that the WTO and global media could no longer ignore the massive groundswell of disapproval by millions of people from around the globe who totally opposed the decisions being made by the WTO. Such protests have mobilized groups on other sides on the world from each other who are linked by the repercussions of decisions made by WTO that affect the quality of peoples lives, their futures and the global environment.



The events in Cancun has both divided and united people from different countries and people around the world. The Cancun meeting has been hailed as a success by many pro-democracy anti-WTO protesters and smaller WTO members (G23) who have united against policies that would favour the few over the many.

Alec Erwin, South Africa's trade minister told the Guardian

"This is the first time we have experienced a situation where, by combining our technical expertise, we can sit as equals at the table, this is a change in the quality of negotiations between developing and developed countries"

This view of a victory was supported by many activists and their allies in other non-government organisations including Walden Bello, director of Bangkok-based Focus on the Global South who stated:

"No agreement is better than a bad agreement"

In contrast the US trade representative Robert Zoellick blamed the G23 for the breakdown in the WTO talks -

".. The rhetoric of wont do overwhelmed the concerted efforts of the can do. Wont do lead to the impasses."

Many initiatives have been suggested to reduce the global trade inequalities. James Tobin in 1978 won the Nobel Prize for his suggestions in modifying the speculation on global markets by introducing the **Tobin Tax** and there are growing numbers of people world-wide who are committed to Fair Trade initiatives.

Such an event allows the opportunity for geographers to think and question global geo-political and economic transactions.

How and why is this event important in terms of other geo-political events that are also in the news? Think about linking other things going on in the world that concern resource management and international trade such as the DESi international Arms Fair that also took place in London Docklands in September 2003; and the continuing War on Terror and war in Iraq. **How do the policies and decisions made by such events impact on the lives of people and future decisions that could or may be made and by whom? How do we fit into all of this? How does this affect our daily lives? How could global inequalities be reduced?**

A Brief History of the WTO

The World Trade Organisation (WTO) was established along with the International Monetary Fund (IMF), and the General Agreement of Tariffs and Trade (GATT) at Bretton Woods in New England after the World War Two in 1945. These Three Organisations were set up to support a new set of rules in structuring global trade rules by reducing national trade barriers and to stop competitive trade policies and greater access to global resources to ensure economic stability after the economic slumps and recessions on the global financial markets in the late 1930s.

In March 1994 in Marrakech, Morocco a new World Trade Organisation was approved to replace the loosely constructed GATT. This new World Trade Organisation was firmly established as an international organisation rather than a loosely structured treaty. Comprising of 137 states and 30 'observer' countries, it allowed greater control and direction of international trading rules. The agreement has 26,000 pages and its sheer size and complexity is often perceived as an inhibitor for people to be able to access and keep abreast of decisions and trading agreements as they change.

From the outset, GATT and WTO have been perceived as a 'rich man's club' dominated by western industrial nations such as the USA, Europe, Japan and Australia with the multilateral aid promoted and endorsed by such countries often involving the promotion of their own country's companies into favourable trading conditions for them rather than the countries they often claim to help through these proposed economic aid initiatives.

Since 1994, the WTO has been seen to pursue Neoliberalism or neoliberal policies to ensure increased economic returns and economic prosperity. Neoliberal policies focus on countries opening up their trade barriers but allowing companies and multinational corporations the rights to all resources on their terms rather than the terms and conditions of the people and governments within those countries.

Government economists in the USA and Europe have been seen to endorse such policies as they are seen to be on beneficial standing to the trade and profits of companies and economic sectors who are based in 'countries of the north'. Consequently, many people seeking social justice have seen such trade rules as heightening the prosperity for those countries that already hold a vast proportion of global power and already consume and have access to the majority of the world's resources.

Rubens Ricupero (Current Secretary General of the United Nations Conference on Trade and Development (UNCTAD) assesses such multilateral aid and structural adjustment policies endorsed by the World Trade Organisation as being:

'... concrete evidence... that global trade rules are highly imbalanced and bias against developing (sic) countries'

Citing the general example that if a country wants aid from the World Trade Organisation to eradicate poverty or improve education, it is often suggested

that they dismantle their public services into private company hands to allow for companies from outside their country to gain a market share of profit, often resulting in reduced quality of education and health provision and reduced workers rights and job opportunities’.

WTO and Cancun: Fact or Opinion?

Questions	Resource 1	Resource 2	Resource 3	Resource 4
Author(s)				
Context in which article was written (perspective – geographical location of author / their background / job / economic / political ideas)				
Facts in article				
Opinions in article				
Additional information/Notes				

WTO Cancun: Fact or Opinion?

Thinking skills activity for Key Stage 3 / 4 and post 16

Key Stage 3 / 4

The rationale behind this activity is to encourage students to evaluate different viewpoints and opinions and to enable them to understand, appreciate, and accept the views of others while considering the best way that conflicting viewpoints and opinions can be worked at to some kind of satisfactory conclusion. This can include an evaluation of resources that are being used to present information – what is or isn't present.

Curriculum Links: work and employment / Economic Geography / Trade and Development / Environment

Cross Curricular Links: Looking behind the headlines to consider editorial agenda - English and Politics / Citizenship

Preparation

Resource packs of four photocopied articles from the end of the WTO Cancun Conference. These can be found at external links associated with this 'Geography in the News' feature article 'WTO and Cancun: Success or Failure?' or from the following:

Indymedia - WTO Cancun article - <http://cancun.mediosindependientes.org/feature/index.php>

Guardian Comment - Naomi Klein - <http://www.guardian.co.uk/comment/story/0,3604,1040412,00.html>

Guardian Comment - Patricia Hewitt - <http://politics.guardian.co.uk/comment/story/0,9115,1048082,00.html>

BBC News - WTO Cancun article - <http://news.bbc.co.uk/1/hi/business/3110844.stm>

WTO and Cancun: Fact or Opinion - Activity Worksheet downloadable resource from *Geography in the News* feature 'WTO and Cancun: Success or failure?'

(May be photocopied and different colour pencils issued to each group or the articles laminated and different coloured dry-wipe pens issued)

Running the Activity

1. Each group of students will be given the same set of resources
2. Students are to read articles together and mark on their resource what is 'fact' (one colour), what is 'opinion' (opinions can be more than one colour if student thinks there are more than one opinion in the article they are reading).
3. Give the main questions for students on the board so that students know how to go about looking for facts and how they differ from opinions.

4. Depending on the class, make sure they have a definition of how fact and opinion are different and examples to support.

5. Give students 10 minutes for this activity, ensuring they are time checked throughout and that they are on task. If they have any questions about the article they are reading, ask them to write the questions down for a discussion later in the class.

6. At the end of the ten minutes, ask for feedback from each pair within the group who were reading the first resource. Their findings should be written down as bullet points by all class members. Allow one minute feedback from each pair. Do the same with the other pairs in the groups reading the remaining resources 2, 3 and 4.

- **What could they tell about the opinions from each of the articles?**
- **How were the articles similar?**
- **How were the articles different?**
- **What facts did you find out from the articles?**

Debriefing

Students are asked to think about how the World Trade Organisation affects their lives. This can be followed up by asking students to find a news item on the internet using the references concerning either the WTO meeting in Seattle 1999 or WTO meeting in Genoa 2001 and reviewing the 'fact' and 'opinion' from those articles and summarizing what they think about these issues.

Further lessons

This activity can be built on in further lessons by splitting students into different interest groups and using asking them to use the internet and library facilities to present to a 'WTOyourschool' to see how students would negotiate the issues raised at the WTO in Cancun.

ICT activity

This particular activity can easily be adapted to ICT lessons if the teacher has access to an interactive whiteboard to use the internet and the referenced websites to research information for investigating viewpoints and opinions.

Post 16 activities

'The World has enough for everyone's need, but not enough for everyone's greed'

Mahatma Gandhi.

Using the debates surrounding the World Trade Organisation meeting in Cancun, explain, debate and discuss what you think Mahatma Gandhi means by the entitling quote.

Use internet resources and book references to locate facts to support your arguments.

Remember to include and justify your own views and opinions. Minimum words – 1000.

Suggested reading

websites

Indymedia.org (www.indymedia.org)
Schnews.org (www.schnews.org.uk)
WTO watch (www.tradeobservatory.org)
Corporate watch (www.corporatewatch.org.uk)
BBC News coverage and commentary (www.bbc.co.uk/news)
New Internationalist (www.newint.org).
World Trade Organisation (www.wto.org)
Global Trade Watch (www.citizen.org)
Jubilee 2000 (www.jubilee2000uk.org)
Fair Trade (www.fairtrade.org.uk)
Peoples Global Action (www.agp.org)
People and Planet (www.peopleandplanet.org)
George Monbiot web pages (www.monbiot.com)

Books

Chomsky N (1999): Profit over People: neoliberalism and global order. Seven stories press. New York.

Ellwood W (2001): The no-nonsense guide to Globalization. New Internationalist and Verso. London.

Gray J (1998): False Dawn: the delusions of global capitalism. (Granta books, London).

Kingsnorth P (2003): One No, Many Yeses: a journey to the heart of the global resistance movement. The Free Press. London. (www.paulkingsnorth.net).

Monbiot G (2003): The Age of Consent: A manifesto for a new world order. Flamingo.

Toussaint E (1999): Your Money or your Life: The tyranny of global finance. (Pluto Press, London)

Some literature as well to inspire:

Newman R (2003): The Fountain at the Centre of the World. Verso. London.

Vital Viewing

Bowling for Columbine a film by Michael Moore (the Film Maker and not the ex-World Trade Organisation chappie). Global trade rules meets military arms sales meets culture of terror and fear for economic profit. Oscar for best Documentary.