

# Can WTO help the poor?

*Society  
Poverty*

By Eugenio Diaz Bonilla

WHEN prices for a farmer's harvest fall, as they have in recent years, despair haunts rural families and communities. Farmers invest less in their own land and children leave home, searching for a better life in cities. Consumers in those ever-swelling cities become increasingly dependent for food supplies on farmers elsewhere.

But farmers, especially those in the poorest nations, are not just battling a global oversupply of grain. In a distressing number of cases, they are fighting against the financial power of the world's richest governments.

During recent years, industrialized countries spent, on average, about \$7 billion each year subsidizing their exports of agricultural commodities such as wheat, flour, cheese, butter, poultry and beef. These programmes typically work in the following way: The government buys agricultural commodities at

above-market prices, benefiting their own farmers. Then those commodities flood into international markets, pushing down prices worldwide. As surely as drought or any other natural disaster, those subsidized exports sap life from rural villages in Africa, Asia and Latin America. Urban consumers around the world may benefit, in the short run, from the supply of cheap food. The harm, however, far outweighs the benefit. Agricultural production can be crippled in countries that need it most.

This is where the World Trade Organization can help. The same body that has been vilified as a tool of multinational corporations and rich countries may be the Third World farmer's best hope, perhaps the only one, in the battle against unfair competition from subsidized agricultural exports.

When WTO members meet in Geneva on Thursday and Friday to discuss agriculture issues, they will begin to address this problem. Previous trade negotiations, concluded in 1994, succeeded in limiting some export subsidies. Now is the time to abolish these

subsidies altogether, along with similar unfair practices. Of course, some would argue that free trade itself is driving down the price of agricultural goods worldwide, and that the WTO, by promoting free trade, is destroying rural communities in the developing world.

No one can deny that free trade is sometimes disruptive (although the absence of free trade has proven even more disruptive and costly). This is why the WTO's rules recognize that food is something special. Poor countries such as Bangladesh and Tanzania are allowed a great deal of freedom to protect and promote domestic food production. They are permitted, for instance, to set up grain banks for food security reasons, which tend to support prices.

Unfortunately, the WTO uses the wrong criteria to determine which countries need these special exemptions. Under the current definitions, relatively well-off developing countries can qualify, along with others that are desperately poor. Oddly enough, they do not take into consideration real-life measures

such as the number of malnourished people living within a country. WTO members need to establish a new category of "food-insecure" countries, those for whom famine is just one catastrophic harvest away, and support domestic agriculture in those nations.

These are only the first of many good deeds that the WTO could carry out in the cause of abolishing hunger and poverty. Consider, as another example, the phenomenon of "tariff escalation." Cocoa bean growers in poor countries face almost no tariffs when shipping their harvest to developed countries. Yet if those poor countries set up factories to turn their beans into cocoa butter, and tried to ship this to rich countries' markets, they would have to pay substantial tariffs. If they tried to manufacture and export finished chocolate bars, the tariffs would be higher still. In this way, industrialized countries protect their industries and prevent poorer countries from taking full advantage of the raw materials that they possess. The WTO is the one organization that may be capable

of reducing tariff escalation.

Can the WTO protect the interests of the world's poor and hungry? Pessimists may doubt it, pointing out that a handful of the world's wealthiest nations set up the WTO and continue to play a dominant role in its operations.

But the WTO at least provides a system of rules for world trade. In fact some developing countries have won landmark WTO cases against more powerful nations. The rules may not be perfect, but they are certainly better than no rules at all. When all that counts is raw power, the small and weak are likely to suffer most.

The WTO cannot make sure that everyone on the planet gets enough to eat. But it can help to prevent unfair competition that hurts the poor. We urge WTO members to keep in mind the challenge of reducing hunger and poverty during their upcoming meeting.—*Dawn/IHT Service*

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# Smoking hazards highlighted

By Our Staff Reporter

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ISLAMABAD, March 26: The spread of smoking habit, being encouraged by the transnational tobacco companies, has now reached epidemic proportions and will claim a billion lives in the 21st century with 70 per cent of the deaths occurring in the developing countries.

This was stated by Hamid Nasir, a consumer rights activist, while speaking at an awareness seminar organised by Consumer Education Network Islamabad for devising strategies to discourage smoking.

Mr Nasir called for a ban on advertising and sponsorship which used tobacco products, their brand names or logos.

He suggested that a ban on

smoking should be enforced in public and workplaces, education on the hazards of tobacco use be enhanced, higher taxes be levied on tobacco products which should carry strong health warnings and counter-advertising should be strengthened.

He demanded of the government to monitor the activities of the tobacco companies, including their advertising and promotional strategies, political contributions and lobbying, revenues and profits and misrepresentation of the addictive nature and hazardous health effects of tobacco.

Najib Amjad, a mass-communication expert, spoke on the global efforts against the smoking hazard.