Must trade rule the world?

Laura Worldti

Do not hallucinate.

The WTO’s mandate is to free trade, but this locks people into unsustainable patterns of production and consumption, directing economies towards export rather than meeting local needs. Real costs affecting quality of life and the environment are not considered while short-term profits erode the capacity of future generations to meet their basic needs.

The WTO defenders believe that trade creates wealth. But for whom? So far, trade liberalization agreements have contributed to the concentration of power into the hands of a few multinational corporations, while increasing poverty for the majority of people. During the last ten years, per capita income has decreased in 80 countries. Meanwhile, the fortunes of the 200 richest people in the world exceed the total incomes of all the 41 global population. The world’s 10 biggest companies have a greater annual turnover than the 100 smallest countries.

Multinational corporations are heavily lobbying governments to liberalize trade and eliminate regulations that would limit their expansion. The WTO is likely to become a powerful tool in this prospect. The WTO is expected to launch in Seattle on November 30, 1999.

Countries that are home to the majority of the world’s population have little say in this process. Crucial debt and the need for foreign currency already leave many countries vulnerable to the demands of international corporations and institutions, while local resources are directed to the wealthiest nations.

As denoted in a report from Public Citizen, a public interest group founded by Ralph Nader, “the WTO is likely to be an alliance against democratic governance worldwide.” Its scope involves limiting national law-making which touch on culture, health, education, environment, and local resources to name but a few. The agreements include minimum standards to protect the environment, human rights, and culture, but not powerful manufacturers or local goods.

As a legal structure, indeed a constitutional one, the WTO provides for binding arbitration between states, in a manner that punts trade before all other concerns. It lays the ground work for further corporate control over people and the planet. Unless we stop it.

The new WTO is a hidden agenda by this anti-democratic global government, and to build it collectively from the bottom up. See Alternatives in Action, page 3.

An Emerging Global Constitution

Michael McGonigle

Professor of Law, Victoria, Canada

"We are no longer writing the constitution among separate national economies," said Renato Ruggles, former Director-General of the World Trade Organization. "We are writing the constitution of a single global economy."

The Millennium Round is being launched in Seattle with a substantive goal. If successful, this new constitution will rescue ecological and social disaster. It must be stopped, and replaced with an alternative global vision, with new forms of governance to achieve it.

The Significance of Constitutions

To the world’s states, constitutions define the rights of individuals, establish the structure of government, and set controls on the use of political and economic power. A constitution is the fundamental principle on which a state is to do so in a way that will prevent the development of a supranational structure to which it is too long to come, while cultures and ecosystems are destroyed.

Historically, there has never been a global constitution. States have been supreme. This worked well when forests and fuels were plentiful, and nations (largely in the North) could get rich both by drawing on their own workers and resources, and by colonizing so-called "underdeveloped" parts of the globe (largely in the South) that had no recognized states or capacity to impose global access.

International trade has created much wealth – but it has done so by eroding natural resources and by destroying countless self-sustaining cultures. And now, just as the world is covered with independent states, resources are running out. This pyramid of wealth cannot be sustained if state borders block access to cheap labour, remaning resources, and potential markets.

The WTO Constitution

The Seattle meeting is one more step in the entrenchment of a sustainable, economic monoculture as the supreme law of the planet. The WTO is to do so in a way that will prevent the development of a supranational structure to which it is too long to come, while cultures and ecosystems are destroyed.

The WTO is primarily about freeing access for multinational corporations, shareholders, and national sovereignty. Corporate rights are created while democratic rights are eroded. The "neo-liberal" values of industrial growth, trade and elite decision-making are imposed on the foundations for global social organization. The WTO will monitor domestic legislation, and ensure conformity through a mandatory dispute resolution process with no democratic input. The "rule of law" means WTO rules in every state. So far, the WTO dispute resolution process has struck down all national environmental regulations that have come before it.

States outside of the WTO will be increasingly excluded from the world’s trade system. But much less has been done than before WTO-administered agreements. Once inside the WTO regime, states are quickly lost.

This constitutional box transforms the state into a vehicle for transferring wealth from local communities to distant corporations, shareholders, and consumers. It is unsustainable and irreversible.

Tradings Afar Our Forests and Communities

Faith Ose

Coordinator, International Network of Forests and Communities

The new WTO constitution will be devastating for the world’s forests, as it undermines the rights of indigenous peoples who are the key to long-term forest sustainability.

WTO: Ensuring Access

Globalization means that forest fiber has quadrupled over the last 40 years. The fibber in a sheet of paper in Japan or Europe derives from five or six countries, having travelled thousands of kilometers, through a cascade of transfer chains. Countries like Japan long ago exceeded their domestic supplies, so they rely heavily on the continued depletion of indigenous forests in Asia, North and South America. Supporters of global trade liberalization believe that environmental protection comes with growth. But this wealth results from drawing down the earth’s resources. Rich countries and corporations capture "import sustainability" by liquidating remaining resources around the world to delay a little longer the inevitable day of reckoning, trade liberalization ensures corporate access to a steady flow of forest fiber, and protects international interests in annual-scale logging.

The WTO serves to block governments that might have second thoughts about this "development" strategy. Domestic rules to foster community development and respect for indigenous rights will be outlawed to maintain resource outcomes.

Demand and Decline

Forest product consumption is connected to economic growth. Worldwide, paper consumption has increased 7% of 20% over the last century, tripling the past five decades. This means 40% of the deforestation comes from forest products.

Clearing natural forests for industrial culture cultivation becomes necessary if one accepts the logic of growth-based globalized markets.

Vast Capital

Industries waste natural forest capital as well as forests. At a recently built mill in Riau, Indonesia, 75,000 cubic meters of forest capital was invested for every job created. At an Alberta-Pacific pulp plant in British Columbia, Canada, each of the 355 jobs created involved 1.3 million in capital investment.

Globalization means an ever-increasing concentration of ownership. Businesses based in the US, Europe, Canada and Japan account for 80% of the 100 companies, controlling $125 billion in world sales. The world’s largest ten pulp and paper companies export 80% of world pulp and board” according to Wood Review by 2005, up 65% in 1994.

Massive resource flows from countries like Brazil, short-shore the economic power con-
stents in the North. Between 1985 and 1990, 'developed nations' imported US$4.3 trillion more worldwide each year than they exported, while "developing nations" ex- ported US$55 billion more each year than they imported.

Devastating Forests and Communities

The world’s forests cannot continue to feed the growth monster, nor can local communities sur-

vive the onslaught. These forests, their biodiversity, and the communities of people who live with them are disappearing.

In the Philippines, over 80% of primary forests fell in the 1970s and 1980s, to feed Japanese paper companies. Local peoples lost their land, and were robbed of their traditional re- sources. Government officials gave away timber concessions to foreign investors.

One historic role state "sovereignty" is to facilitate the process of "delegitimizing traditional and in- dignous land and resource rights, Lappi (corporate) rights then replace public (communal) rights. The resulting loss of income from natural resources, and the traditional knowledge to maintain forest health, is a form of cultural, historical, and ecological erosion. As the economist, David Brooks, professor of business at the University of Wisconsin, has noted:

The real tragedy of the commons is the process whereby indigenous property rights have been undermined and delegit- imized. This destruction of local-level authority for the principal cause of natural degradation. Thus the WTO elite marginalizes and destroys other ways of thinking about and managing the world’s forests, at the very time when creative solutions are imperative.

A coordinated effort must ad- dress the authority of local com- munities in every nation of the world. This initiative must be connected to the international agenda.
Whose Rules? Whose Planet?

The WTO undermines solutions being developed by local communities and civil-society-based groups around the world.

One way to protect our forests from the predation of free trade is to ensure that they are well managed, independent, third-party certification that ensures all large holders, from conservation NGOs to Aboriginal people, have a say in what forests should be protected and how forests can be managed to ensure that natural and cultural values are not compromised. The Forest Stewardship Council is a good example, and many other communities are buying their payout to halt the unsustainable forestry that is currently employed by industry and government standards. This scheme has now certified 17 million hectares worldwide, of which 20% is now certified. For example, is now paying $5 billion, constituting about 40% of the country’s timber exports.

In eco-labeling is critical for establishing environmentally and socially sustainable alternatives. Not only does the WTO place in jeopardy the expansion of meaningful eco-labeling in the forest sector.

The FTC (shown in box above) identifies well-managed forests, and products which contain forest from them, independently certified in accordance with the rules of the FTC.

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Real-world solutions now underway

By Gail Hochachka

Nepal has very progressive forest policies, rules and regulations. Community forestry policy has enabled forest users to access the forests, to regain what was theirs. More than 8,500 user groups, such as those included here, have put into practice that they can successfully and sustainably manage their local forests.

Ninety percent of the people in Nepal, including the Terai people, are dependent on forests, deriving their sources of energy, agricultural needs and livelihood from their local forests.

Now the government is turning away from its people and policies to make a quick profit. The Terai people are being excluded from management of areas they have both legal and customary rights. The government wants to manage the land, but the Terai believe state management will destroy their forests.

The Terai fear the government will succumb to the pressures of international timber companies which have been gobbling up successful projects in the hardwood Terai forests. Some international companies have already submitted proposals and contracts that will take the forests away from the people. The Terai people and their supporters are struggling to counter this trend.

Under the WTO, global trade liberalisation, new forest products will allow for increased trade worldwide, which in turn strengthens the position of large transnational forest companies to operate anywhere without any responsibility to local communities. National treatment provisions in the WTO rules could prevent local governments from implementing measures that protect their interests, such as community-based tenures which bar foreign trans-nationally from acquiring tenures.

— Dr. Eugene Niter, Asian Son

Analysis Team, Gitzkian Nation
Forest Stewardship Council, marketing non-timber forest products, and eco-tourism are also being explored.

But the Gitzkian territory is presently being cleared by companies holding tenures from the provincial government. In 1997 the Supreme Court of Canada recognized the existence of Aboriginal title, bringing the Gitzkian a step closer to full implementation of their plan. As their struggle for recognition of title to the land continues, the Canadian government's pursuit of investment liberalization, "free" trade in forest products, and compensation rights for corporations, will make the reconciliation of Gitzkian title with existing commercial tenures increasingly difficult — and costly.

— Eugene Niter, Asian Son
A Millenium People’s Assembly

A broad spectrum of non-governmental organizations (NGOs) are now calling for a People’s Assembly to coordinate and function alongside the national United Nations General Secretary Kofi Annan has called for a Millenium NGO Forum to be held alongside the UN Millennium Assembly. Civil society–based groups in the Millennium People’s Assembly Network (a worldwide coalition of organisations) promote the establishment of permanent and continuing People’s Assemblies. They would like to see popular and NGO representation in an international forum to coordinate planning and problem-solving. This would be accomplished through monthly meetings of organisational representatives, computer networking, bi-regional coalitions-building and public education on the benefits of local level global issues and strategies.

WTO demands a response

Stop, review, repair

WTO Agreements that fundamentally undermine human and ecological security must be stopped. The WTO must be reformed to provide transparency and information sharing and meaningful input from civil society organisations. Existing agreements should be reviewed using a participatory process. WTO authority should not interfere other international agreements like the UN, nor should it trump international agreements on human rights, social justice and environmental security. The damage already done might be repaired by thoroughly revising WTO rules.

Build the movements

The WTO is the wrong forum for creating a global constitution. Help building the momentum for new forms of global governance through civil society–based organisations at all levels, local, regional, global. Effective alternatives then will become a realisable political agenda.

Promote state innovation

Our governments must turn their attention to fostering sustainable alternatives. More participative democracy is needed at every level. Whether it is legislation on community-based tenure and management of resources, communial ‟intellectual property” and genetic resource, cooperatives and other non-corporate forms of business organisation, clean production, or ‟community right–to–know” we must begin to make the alternatives happen at all state levels.

Live your politics

Participate in consumer boycotts of unsustainable exploitative goods. Personal politics help advance the politics of alternatives. Support eco-certified and organically produced foods. Practice the 3R: reduce, reuse and recycle.

Principles of Forests and Communities

The International Network of Forests and Communities (INFC) is a civil society-based network of over 200 groups and individuals from 28 countries. At its founding conference in Saanich, near Victoria, Canada in October, 1998, the People’s Assembly adopted the Saanich Statement of Principles on Forests and Communities. This statement is based on the following premises:

Comments

• must have a central role in decision-making over control of natural and indigenous resources
• are heterogeneous, requiring efforts for improved equity
• must have secure tenure rights or guaranteed access to forest resources for present and future generations

Ecosystems

• the sustainability of all life depends on ecosystem integrity
• ecosystem management must be participatory
• beneficiaries of forest products and services must share responsibility for maintenance or restoration of ecological integrity

Knowledge

• ecosystem management should recognize the legitimate contribution of many systems of knowledge – aboriginal, traditional, local, technological, scientific – in building an appropriate system of knowledge will continue to adapt and evolve, leading to management practices that are adaptive

Econonics

• community-based economic development embodying a full range of social, cultural and ecological values should replace consumption and commodity economic models
• priority must be given to subsistence requirements
• benefits should be reinvoked locally
• all tangible and intangible values should be acknowledged
• financial recognition should be given where communities manage for environmental services

Governments should...

• share and devote forest management, and work to advance community-based forest management
• recognize and act on the rights of indigenous and traditional peoples, local communities and other user groups in a participatory, transparent and accountable manner
• shift from a centralized commodity-oriented management to decentralized, multi-objective management
• establish a broad-based ecological and economic approach to ecosystem-based community forest management
• exercise a limited oversight role to foster social equity and ecological sustainability
• ensure resource industries respect communities and act responsibly

Yes! Here is my donation... to support the International Network of Forests and Communities in its ongoing analysis of the WTO, research and network activities in support of the alternative forest and community movements.

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The views expressed in this publication may not be shared by all members of the International Network of Forests and Communities.