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Global Movement Coalitions: The Global South and the World Trade Organization in Cancun¹

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Abstract

A group of developing countries within the World Trade Organization, called the G22, formed in 2003 to bring attention to important economic concerns of the Global South. This coalition building at the global level is instructive to the literature on social movement coalition building and strategies in a transnational context. This article examines coalition building among nation-states within the context of the WTO. Drawing upon existing trading blocs, the G22 are able to leverage attention away from the WTO consensus. The declining significance of the global institution is a result of the breaking of this consensus.

Keywords

comparative politics, social movement theory, globalization, Global South

The 2003 World Trade Organization (WTO) Ministerial meeting in Cancun, Mexico saw a wide rift between several developed and developing nations over specific economic proposals. One of the most divisive issues between the group of developing nations, which called themselves the Group of 22 (G22), and the developed nations was that of farm subsidies. Both Japan and the US fiscally support their respective agribusinesses but many of the G22 countries oppose this practice. Structural adjustment policies (SAPs) prohibit many developing countries from adopting these sorts of protectionist policies and cannot provide their agribusinesses with a level playing field. This article explores how this group of developing nations came to coalesce as a distinct group, the G22, with common goals on at least a few trade issues on which they differ with some of the more developed nations.

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Despite the various pressures on Japan to embrace the free trade model, the country continues to pursue a protectionist agenda. This is due to a particular equation of forces at work between protectionists and free trade partisans in the country. All of the G4 members, Canada, Japan, the United States and the European Union, support farm subsidies. The particular equation of forces in Japan however, has led to a debate about farm subsidies despite the inclination to support free trade. This has led to protectionist policies supported by internal as well as external forces.

The collapse of the talks at the September 2003 meeting of the WTO in Cancun illustrated the urgency of the issue and the divisions it causes between member countries. A multilateral body charged to monitor economic rules adopted by individual nation-states is not *a priori* a destructive ambition, particularly under the globalized economy in which nation-states participate. However, the body that fits this role most closely among international institutions is the WTO. Multilateral organizations operate most effectively when there is a perceived mutual interest among the stakeholders.² Once this perception is altered within organizations such as the WTO in which members elect into the group, the organization can suffer a crisis of authenticity.³ Ravaged by obscure procedures and questions of institutional bias, the WTO is in danger of becoming less relevant to developing nations if its rules of procedure are not reformed.

I focus on the G22, a network of countries linked by similar policy positions that self-identify with this label. In the following section, I look at the G22 countries individually. By looking at the socio-economic composition of this group, we can hope to glean some insight as to the socio-economic composition of the G22 relative to other countries in the world. This will inform our understanding of the coalition as a whole, taking into account GDP, geographic location, level of democracy, and population.

In the section labeled, “The Case: A Recent History,” I examine the political equation of forces that produced the G22 as an outcome and why the G22 formed at this particular historical juncture. This process will illustrate how the coalition was formed, shed light on how inequality plays out on a global schema, and display coalition-building in international finance organizations such as the WTO. Social movements, power politics, and global inequality are all global processes that will help explain these international events. In the Protest section I turn to the challenges of social

²) Immergut 1998.

³) Anheier and Kendall 2003.

movements and contentious politics. Students of social movements are careful not to label visible contentious performances as spontaneous, even if they appear as such.⁴ Similarly, the events that occurred in Cancun were not unique or unexpected. In fact, as I discuss later, some groups predicted that the Cancun talks would collapse if events happened in the way that they did.

I will discuss how the failure at Cancun is unsurprising to some extent, because the events leading up to the meeting were progressing in such a way that made this outcome highly plausible, if not highly likely. The central question remains, how did this group of developing nations come to identify themselves as a distinct group, the G22, with common goals on at least a few trade issues and in contradiction to some of the more developed nations? I will then place this phenomenon in some historical context from which the events can be analyzed.

Underlying this process is an economic system of inequality in the world. Wallerstein and others have discussed the unique role that the United States plays as the most powerful actor in a global system of dependency. While in such a position, the US enjoys privileges that other countries simply do not – privileges that go beyond just economic prosperity. Economic hegemony brings with it privileges that go far beyond those of any other country. This includes military operations of a scope that has no equal in the modern world. US operations have been undertaken in the upheaval of democratic and undemocratic regimes alike.

This unique economic position that the United States holds matters here because it informs our interpretation of the Cancun meetings. If one sees this conflict as simply a negotiation among equal parties, then one overlooks quite a lot. One would miss why certain countries take certain positions and then back away under US pressure. We miss why certain countries ally with the US when it seems that their development & diplomatic interests would lie elsewhere. One misses why this system of power imbalance has been occurring for the period of time in which it has taken place within an organization that allows opportunities for dissent for Trade Ministers at Ministerial meetings.

⁴ Tilly 2008.

The Characteristics of the G22

It is important to consider the characteristics of the G22 member countries, comprising the coalitions in this context.⁵ Country characteristics may lend a clue as to how and why the coalition developed. Several social movement theorists have discussed how the energy developed in one social movement context can “spill over” into adjacent contexts.⁶ In developing coalitions, mutual understanding and trust is important between organizations.⁷

I later illustrate the main line in globalization and global network theory using these internal coalition dynamics in order to draw conclusions for social movement scholarship. Data on the Cancun Ministerial conference is mainly archival and qualitative and data on the the countries that compose the G22 is mainly descriptive and archival. Position statements on behalf of member nations and non-profit civil society groups, as well as press conference transcripts, were freely available on the website of the WTO. From this data, I selected the 22 countries represented in the G22 and analyzed this information separately. All other qualitative data was collected from the websites of media organizations and non-profit organizations.⁸

Descriptive statistics are derived from the CIA World Fact Book and the Polity IV Database. Table 1 lists the twenty-two countries with their GDP in 2002, their Level of Democracy index, and geographic location. In the democracy index column, –10 signifies a strongly autocratic country and +10 a strongly democratic country. I chose GDP as a variable to represent economic vitality and the Level of Democracy index to represent a quantitative measure of democracy in each nation. I listed each country’s continent as a measure of geographic location and their estimated population.

G22 nations tend to be more democratic than other nations.⁹ There is also extreme stratification among the countries along economic and democracy index variables. There are two clusters within each variable. Three nations, China, India and Brazil, are high outliers in the GDP distribution while four nations, Pakistan, Egypt, China and Cuba, are low

⁵ On coalitions, see Bandy 2004 and Staggenborg 1991.

⁶ McAdam 1995; Meyer and Whittier 1994.

⁷ Anheier and Kendall 2003.

⁸ Two non-profit organizations in particular, the Third World Network, a civil society group based in Malaysia and ActionAid International, based in the UK, documented many of the events at Cancun extensively.

⁹ The arithmetic mean for the global level of democracy index is 3.1 and that for the G-22 is 5.2.

Table 1 G22 Coalition Member Characteristics

Nation	GDP in Billions of Dollars in 2002 (CIA World Fact Book)	Continent	Level of Democracy in 2000 in index units. (Polity IV Dataset)	Population (CIA World Fact Book)
Argentina	391	South America	8	38,740,807
Brazil	1,340	South America	8	182,032,604
Bolivia	21	South America	9	8,586,443
Chile	151	South America	9	15,665,216
China	5,700	Asia	–7	1,286,975,468
Colombia	268	South America	7	41,662,073
Costa Rica	32.3	South America	10	3,896,092
Cuba	25.9	South America	–7	11,263,429
Ecuador	41.7	South America	6	13,710,234
Egypt	268	Africa	–6	74,718,797
El Salvador	30	South America	7	6,470,379
Guatemala	48	South America	8	13,909,384
India	2,660	Asia	9	1,049,700,118
Mexico	900	North America	8	104,907,991
Pakistan	311	Asia	–6	150,694,740
Paraguay	25	South America	7	6,036,900
Peru	132	South America	*	28,409,897
Philippines	356	Asia	8	84,619,974
South Africa	432	Africa	9	42,768,678
Thailand	429	Asia	9	64,265,276
Turkey	468	Asia	7	68,109,469
Venezuela	132.8	South America	7	24,654,694

* = Transitional or Provisional Government (end of Alberto Fujimori's regime).

outliers in the democracy index distribution.¹⁰ Turning to the population variable, although the G22 represent only a handful of countries, they make up half of the world's total population. They also contain nearly two-

¹⁰ It might be noted that China and Cuba are special cases since they are among the last remaining Communist nations in the world.

thirds of the world's farmers and they produce more than one-fifth of global agricultural output.¹¹ Their combined GDP is 14.16 trillion dollars – slightly less than the combined GDP of the US and Japan.

Judging from the internal assets of this coalition and its structural agricultural leverage,¹² the G22 might have fared well in proposing WTO policy favorable to agribusinesses in the Global South.

Globalization

There is much debate about what exactly globalization is, but for the purposes of this article I will borrow from Held, who defines globalization as

*a process (or set of processes) which embodies a transformation in the spatial organization of social relations and transactions – assessed in terms of their extensity, intensity, velocity and impact – generating transcontinental or interregional flows and networks of activity, interaction, and exercise of power.*¹³

To this I would add that globalization is also an era of increased qualitative self-reflection and acute awareness of this process of ever-increasing global interconnectedness. Globalization is composed of both measurable and immeasurable changes. The debate in this area is beyond proving or disproving the existence of globalization by measuring changes in certain processes over time. Pertaining to the G22, one might think of them as a movement of global farm workers just as justifiably, or even moreso, than thinking of them as a conventional nation-state trade bloc.

G22 countries, far from among the global rich but also not among the most destitute in the world, are the ones taking the initiative to challenge the developed countries on these global trade issues on behalf of themselves and other developing countries. This observation is consistent with resource mobilization theory that tells us that there is generally a maximum threshold of resources one must have to have the ideological motivation to undertake contentious politics; and a minimum threshold of resources to have the luxury of surpassing your own needs and undertaking them as part of an agenda.¹⁴ In a global economic schema, especially popular among

¹¹ Agence France Presse, 10 Oct 2003a.

¹² See Schwartz 1976.

¹³ Held et al. 2002, italics in original.

¹⁴ Though challenged in recent years, this analytical category can still hold some explanatory

World Systems theorists, G22 countries are generally thought of as being located in the semi-periphery. G22 countries, in a sense, operate as a bloc of many of the semi-periphery countries of the world.

In analyzing an international political situation such as this one, one cannot ignore the role of the nation-state. Most international relations scholarship focuses on nation-states as central actors and even includes transnational processes. But oftentimes social movements concepts, analytical categories and theories, and within the study of social behavior more generally, are developed within one nation-state context, and nearly always in a developed, Western society. They explicitly or implicitly assume that existing social movement concepts will carry over into other societies and that social movements share similar boundaries as nation-states.¹⁵ This is hardly to say that the nation state is not relevant. Alongside existing analytical tools that assume the nation-state as the major factor in both domestic and international affairs, we may add ones that factor in trans- and supra- national and territorial forces. As Sharpf, Gilpin and others argue, the nation-state continues to be the major actor in both domestic and international affairs and we must continue to consider these political processes.¹⁶ But the literature on global social movements has made inroads, without which a distorted view of supranational processes would continue without being addressed.

However, skeptics, including rational choice analysts, might argue that Brazil, for instance, was acting in a manner consistent with its own economic interest in Cancun. Trade ministers and President Lula worked hard to gather more members into the G22 in the weeks and days prior to the Cancun meeting because it benefits Brazil to do so. This is just another case of a plurilateral agreement. Certainly, MERCOSUR (Southern Common Market), the political and economic agricultural trade bloc of the Southern Cone, provides incentives for additional partnerships and a structure on which to build the new G22 coalition. However, forming the sort of social and economic coalition that the G22 was able to build, and on the scale in which it did so, is unprecedented as a repertoire of contention within international governmental organizations (IGO) politics along the

sway, particularly when observing for which actor the political opportunity is for. See Ramos 2008.

¹⁵) See Alger 1997 for a discussion of this last point.

¹⁶) Sharpf 2002; Gilpin 2002.

semi-periphery and core nation boundaries.¹⁷ It is, to borrow from Richard Falk, globalization from below reacting to “globalization from above”.¹⁸ It has led to a subsequent turn to the Left in Latin America, with a rally of electoral victories by Left parties affecting most of the region.

Robert Gilpin argues that “many of the problems alleged to be the result of economic globalization are really the consequence of unfortunate national policies and government decisions.”¹⁹ He offers an example of supposedly incompetent Brazilian development policies that destroyed thousands of acres of woodland and rainforest. But what Gilpin describes as “unfortunate” nation-state policies has been shown not to be simply created by the implied ignorance or misguidance of nation-state politicians. Rather, these decisions are direct or indirect results of the policies of supranational financial lending institutions on which these nation-states depend. In the case of Brazil, these policies were the result of SAPs that came along with International Monetary Fund (IMF) loans. IMF program benefits and market signals explain nation-state development policies far better than supposed government ineptitude. Because domestic economic policy is affected by global processes as well as domestic ones, thinking about transnational economic policies requires a different set of tools to understand these trends.²⁰

Alger discusses how global alliances across nation-states, such as the G22, make global governance, such as the WTO, easier.²¹ It also makes sense that if global governance is made easier, that coordinated action in transnational organizations is not only possible, but also easier. Stemming from Alger, global alliances make it not only easier to govern the WTO, but it may be easier to create alliances such as the G22. In more general terms, not only is global governance easier, but it may be easier to create blocs, alliances, and coalitions. It may also be the case that these alliances are

¹⁷ For more on the growth of the transnational social movements sector, see Smith 2008 p. 122.

¹⁸ Falk 1999. This is opposed to the term ‘anti-globalization’, as some have called this and related movements.

¹⁹ Gilpin 2002.

²⁰ Not without their critics, World Systems Theories use the world as a unit of analysis, applying the idea outlined here to contextualize the nation-state as an explanatory unit for explaining inequality. See Moncada and Blau 2005; Moncada and Blau 2006 for other ways in which to think about the “role of social scientists” with regards to the study of global processes such as human rights.

²¹ Alger 1997.

also easier to govern. Just increases in democracy and human rights within countries can spur even more democratic and human rights reforms within those countries, the same strategy may be adopted at the global level.²²

Falk suggests that a “globalization from below” take place as a two-pronged strategy of resistance against “globalization from above.” One prong is local grassroots resistance, which themselves are aware of global processes. The second is transnational linkages among and between these movements.²³ “Think globally, act locally” has been the mantra of this grassroots movement (as well as the title of many articles and books studying the movement). Falk argues that the decisions that get made in global processes effect real people’s lives at the local level.²⁴ Those people see real, direct changes happening in their lives and try to stop the changes from harming them. Much of the blame for these changes has been placed on the broad shoulders of international finance organizations. Many of these protests manifest into civil society groups or actions by the nation-states, as was the case for the G22.

The Case: A Recent History

The Singapore issues (investment, competition, transparency in government procurement and trade facilitation) by and large created the largest rift between the developed and developing nations.

At the Singapore WTO Ministerial (1996), Ministers agreed to form a working group to study the relationship between trade and investment. It was explicitly stated that there was no commitment to negotiate an agreement. For the next five years (1997–2001) the WTO Working Group on the Relationship Between Trade and Investment held several discussions. Major developed countries pressed very hard to have the working group transformed into a negotiating group that would negotiate an investment agreement in the WTO. However, the majority of developing countries were extremely reluctant to agree to this. Some of these countries were strongly opposed. The reasons included: the inappropriateness of an investment regime in a trade organisation; the resulting loss of developing countries policy autonomy over investment policy would damage development options; the lack of understanding of the issues and their implications for development; harmful effects of new obligations; diversion of time and human resources from other vital work in the WTO. They wanted the

²²) See Tsutsui and Wotipka 2004 for this effect at the nation-state level within a human rights context.

²³) Falk 1999.

²⁴) Falk 1999.

study process to continue, and were adamant that negotiations for an agreement should not start.²⁵

At the Singapore meeting, a decision was forced. It was made in back room meetings. The developing nations did not like this and wished it to not happen again. At the next meeting in Seattle, WA in 1999, again agreements made in undemocratic secret backroom deals caused the talks to collapse. At the subsequent meeting in Doha, Qatar in 2001, the meeting nearly collapsed because developed nations tried to force through an agreement at the last minute. Developed nations warned that if the agreement was not approved it would cause an international economic collapse. Through tactics of manipulation, the agreement was made and the developed countries won. Although developing nations agreed to this, they warned the group not to resort to this again for they would not accept it next time. At the WTO meeting in Cancun, Mexico in 2003, a similar effort to force talks on an agreement caused the talks to fall through. The bloc of 22 formed just weeks before the Cancun Ministerial conference, after being so enraged by the proposed ministerial text. They were maddened after lobbying for the Chair to incorporate some proposed language that they had introduced and not having any of their proposals incorporated. Instead the Chair accepted almost all of the language proposed by the United States. This additional gesture, combined with the wholesale omission of their contribution, alienated G22 countries from the process.

The WTO in Context: Global Financial Institutions

The global economic system, working to open markets under a system of free trade, does not apply its rules equally. It is a selective free trade system that enriches already enriched developed nations. It has developed to this stage from a series of previous stages of economic and power imbalances. In the 18th century, the colonial powers – United Kingdom, Germany, Spain, and France – seized power and resources directly from their colonies. There was no question or ambiguity in the laws or policies about who was in charge. After a series of revolutions, the colonial powers were forced to change tactics and gave their colonies more direct autonomy. However, for a variety of reasons, the colonized were largely dependent on their former colonial powers for their economic stability. The United States later became a colonial power from their previous state as a colony. After World

²⁵) Khor 2003.

War II, a more formal, bureaucratized and global version of this power structure emerged in the form of the United Nations (UN), the World Bank, and the International Monetary Fund (IMF) – the first for global peace and security, the second for the stability of the global economy, and the third to rebuild Europe, but later to provide bail-out loans to countries in need. Each of these global institutions was set up with most of the power lying with the old powers. The UN was set up to be run by a security council with five countries holding permanent veto power: China, France, the United Kingdom, the United States, and the Soviet Union. The World Bank is run by stockholders. The distribution of stock is roughly proportional to the percentage of state's GDP to the aggregate. In this system, those who hold the most amount of stock in the Bank, have the most policy influence. Here the US holds 17% of the stock, which is considered an effective veto. The IMF is run by the same system as the World Bank with the US holding policy-making power.

Lastly, the WTO has a structure unique from the other bodies, but it tends to operate similarly. The WTO is a democratic organization in the purest sense – each member country – all 146 of them – has equal voting power as well as *de facto* veto power: a type of consensus model where countries do not have to agree if they do not want to. It is the most ideal system for a body that portends to represent the economic interests of all of the countries in the world. There are many examples of such consensus-based systems working well in all sorts of organizations, within corporate boards; non-profit organizations; and city councils across the world. There are also many examples of such systems failing terribly. The difference between those that fail and those that succeed is whether or not the individual actors within the organization put the interest of the organization before their own personal interest. When this happens, the organization succeeds. When it does not, the organization flounders. Although the consensus model is the most egalitarian, fair, and efficient decision-making process, it does not work when individual actors are not honest, have hidden agendas, and put their needs before the needs of the organization.²⁶ Such is the case with the WTO.

Unfair Rules

G4 nations created this modern system decades ago and are in a good position to exploit these rules to their advantage. They know the purposes it is

²⁶ For more on consensus, see Esparza and Winn 2003; cf. Polletta 2002.

supposed to serve and they are cognizant of and deliberate with their actions within the organization. Other nations were invited to join only after they finished making the rules. It bears some similarity to the card game ‘Mao’ that was made popular in the United States among youth during the 1990’s. The manner in which one learns the rules of the game is to unknowingly break the rules and be punished. New players do poorly for a while, until they are able to determine the rules through trial and error. Then, actors can exploit the rules to their own advantage by preying on other newcomers. The strategy is viciously self-interested and manipulative. Whereas G4 powers once had direct overt control of colonies, they now employ covert exploitation of developing nations through dysfunctional global institutions. Cancun highlights a movement trying to create a crisis of rhetoric by using the rules of the WTO against its makers.

Real and changing power differences over time explain why it took so long for the G22 nations to form a bloc and achieve their accomplishments. During the Cold War, countries aligned either with the Soviet Union or with the United States, with few countries that were on-aligned. With the collapse of the Soviet Union came the collapse of this paradigm. It took some time for developing countries to adjust to the new geo-political era and develop concrete strategies. In the WTO this was a gradual process. Developing countries began to realize their agency through the collective power of their sheer number when they disrupted the Seattle ministerial meeting in 1999 by simply not cooperating. Unfortunately, they were merely discovering this power and did not have concrete alternate proposals to offer. At Doha in November of 2001, they learned exactly how the process worked – the hard way – by experiencing back-room deals made exclusively by developed nations and their WTO allies and the power that developed nations had in writing proposals with no alternative concrete solutions on the table. When the developed nations threatened that no agreement would mean a certain global economic downturn, the lesson learned was that with no counter-proposals, there are no alternatives except a failed Ministerial conference. After Doha, the WTO promised that a strong development agenda would be developed but this never came to fruition. In Cancun, an alternative structure to the global economy was been presented and progress was being made on that agenda. The proposal was not passed, or even accepted by the Chair, but its very existence changed the balance of power.²⁷

²⁷) Since then, social movement organizations have taken these alternative proposals to the

After learning the process, the rules to the global financial game, and going through it a number of times, some member nations coalesced around their common experience. G4 countries were not playing by the same rules. It became evident that the G4 countries were acting under the guise of fairness and equity, but were actually just trying to get developing countries to agree to trade deals that were largely benefiting developed countries. This realization brought a change in strategy. Whereas G22 countries once negotiated and ceded important agenda in an act of goodwill for future gain, they later moved towards a more positional negotiating strategy. This type of shift created the turmoil necessary to open an opportunity for change.

The manner by which global inequality is being negotiated is beginning to be challenged in promising ways. Traditionally, the G4 countries have been the one to set the agenda, but the repercussions of the collapse of both the Seattle and Cancun talks have been felt well beyond the institution. This shifting balance of power within the WTO reflects a more global phenomenon reflecting grander changes in the geo-political climate. Just as the colonies rose up against their colonizers when they failed to believe the rhetoric of colonialism, developing nations are questioning the G4 on the current rhetoric of global economic capitalism. The modern rhetoric has two contradictory components. Public statements that reflect an interest in raising the standard of living for the global poor are juxtaposed against actions that directly oppose such an agenda.

The facilitating body for the global economy has been one outcome of increasing globalization, but the challenges of governing such an institution is complicated by the coinciding trend of decreasing nation-state sovereignty. If more nation-states had more control over the WTO, it would not be quite as driven by free trade and economics. This democracy deficit is a result of the rising influence of private interests. Nation-states cannot effectively govern an institution that controls the global economy when private power can be wielded to affect outcomes in favor of private interest.

There is a general crisis in rhetoric and with the loss of trust in negotiations; there is also a specific crisis of legitimacy within the WTO. There is no perceived incentive for G4 nations to cede to items in the G22 proposals, from the perspective of the G4. An incentive to move towards alternatives must be created, with the involvement of the G4 if possible, and without them if necessary.

civil society sector who have adopted it into a series of World Social Forums and the "Another World is Possible".

The Question of Economic Inequality

Even while not negotiating in good faith, the G4 still accused the G22 of dishonest negotiation strategies. US Trade Minister Robert Zoellick claimed in a press conference after the Cancun meeting that the meeting would have gone more smoothly had certain countries not waited until the last minute to reveal their true positions. But it simply is not true that developing nations behaved this way. According to ActionAid, in the months before the Cancun meeting more than 100 developing WTO nations made public statements opposing negotiation on investment and competition policy. After the first draft of the Derbez text (the primary WTO Cancun ministerial trade document), over 70 of those countries reaffirmed that position. Still the second draft of the Derbez text did not reflect this reality.²⁸

If member nations begin to negotiate in good faith, it is possible that the WTO can become a functioning body again. But before we can reach such a state, the member nations need to be compelled to act in this manner. Unless member nations agree to act in good faith, the organization will not be successful. For the Global South, no WTO may be better than a WTO that serves only the interests of the G4 nations.

Capital Investments

Since capital investments have become so crucial to modern development strategies for developing countries, the question is no longer, 'How do we expand the circle of players who have a seat at the table?' The question now becomes, 'How does the Global South get access to the capital necessary to develop and command a voice in the global market?' Although democratically elected nation-state governments still hold much global influence, power has drifted away from the nation-state model and towards a private capital model.

If G22 countries pursue an alternative model for globalization, G4 countries will be tempted to look away from the WTO as a place to focus their energy and instead move towards bilateral and regional trade agreements that benefit them more directly and immediately. The extent to which this has occurred with increasing frequency is a sign of the declining vitality of the WTO.

²⁸) Action Aid 2003.

Bilateralism however, undermines the founding principles of the WTO that the lowest tariff available needs to be available to all nations. Bilateralism creates power groups that can then come into the WTO as blocs and work in the interest of the nation-state(s) on which the countries in the bloc are dependent upon. Bilateralism is also a strategy used to break up coalitions like the G22 and is one that has already been used to do just that. By offering only a few countries in the bloc a mutually beneficial negotiation undermines any commitment that those countries made to the G22, and the power and effectiveness of the G22 is diminished considerably. Even just the threat of bilateralism can have the intended effect. But no nation or regional coalition of nations can effectively deal with the unique global problems that all countries face: international security, environmental sustainability, disease control, and the global economy. These problems transcend national boundaries. Functioning global institutions rather than regional coalitions offer the best means to address common goals and deal with common threats and challenges.

After the Cancun Meeting

The Fall of the G22

The G22 began meeting just prior to the Cancun conference to discuss their coordinated actions as a distinct group within the WTO. They did this in response to being essentially ignored by the Chair when requesting that the Derbez text be revised to reflect the interests of most of the nations at the meeting. After the events unfolded at Cancun with no agreement on the text, the G22 met in Argentina to discuss the future of the group. But their plans were complicated by US pressure to break up the group. On October 9, 2003, reportedly “under pressure from the United States,” Costa Rica, Colombia, Peru and El Salvador announced their withdrawal from the G22.²⁹ Guatemala had also pulled out and many did not send ministers even though it was billed as a ministerial meeting.³⁰ Only 15 countries actually sent a delegate.³¹ Others, including Bolivia and Paraguay, “have expressed doubts” about remaining in the G22 after the US “implied that those who form part of the bloc will not be considered for future bilateral

²⁹) The Xinhua News Agency, 11 Oct 2003.

³⁰) Agence France Presse, 10 Oct 2003a.

³¹) Agence France Presse, 10 Oct 2003b.

trade negotiations.”³² The same article also reported that Mexico and Chile might decide to pull out and that on 10 October 2003, only a dozen of the G22 signed a document affirming their belief in a “multilateral system of commerce . . . on a just and stable basis.” Colombian President Álvaro Uribe has expressed that he does not want to be a part of an “anti-US coalition.” Peru left by claiming that their understanding was that the G22 was not supposed to last after the Cancun meeting. The group also faces a name crisis. Argentine foreign minister Rafael Bielsa said the meeting “wasn’t a meeting of the G-22, or the G-X, or whatever you want to call it, but of countries that have a common vision on agricultural negotiations.”³³ Because of the fluctuations in membership, Bielsa later called the group “G-flux.” Ecuador also pulled out of the group.³⁴ According to that same news source, “The US made it a policy aim to break up the group and after applying intense pressure achieved the withdrawal of six Latin American countries.” Costa Rica and Guatemala “bowed to the warning that they might be left out of the US-Central America free-trade agreement (CAFTA).”³⁵ Colombia has left probably due to their dependency on the US aid from Plan Colombia for fighting their civil war. One of the main problems that coalitions face within contentious politics is that most members tend to be issue-based and narrowly focused while the core group struggles to keep members in the coalition during intense outside pressure to dissolve the group.

Nevertheless, many observers expected the G22 to be a short-lived coalition right from the start.³⁶ Many of the media representations of the talks blame the collapse of the meeting on the G22, claiming that the group “torpedoed” and “stymied” the WTO talks. The Moroccan representative to the United Nations General Assembly Mohamed Bennouna, speaking on behalf of the larger Group of 77 developing countries and China, told the General Assembly that the results of the Cancun meeting proves that members should “redouble their efforts to achieve results satisfactory to the developing nations.”³⁷ Many countries favor the G22 agenda over the alternative agenda because it is more promising to achieving development goals heralded in the UN and elsewhere. Eveline Herfkens of the UN

³²) OneWorld, 22 Sept 2003.

³³) Agence France Presse, 10 Oct 2003a.

³⁴) Asia Intelligence Limited, 14 Oct 2003.

³⁵) Asia Intelligence Limited, 14 Oct 2003.

³⁶) OneWorld, 22 Sept 2003.

³⁷) United Nations, 6 Oct 2003.

Millennium Development Goals Campaign said “developed countries’ trade policy remains highly discriminatory against precisely those products in the poorest countries, especially agriculture and textiles . . . the North does not practice the free trade it preaches.”³⁸ The Brazilian Minister said, “The WTO runs the risk of irrelevance . . . this will be to no one’s benefit and certainly not to the benefit of developing countries.”³⁹ Farm subsidies create dependency and deprivation. All WTO members who gave a statement were listed on the WTO website, but the US is not listed – either because they did not give a statement or because they had their statement taken off the public record. Lula was is concerned about US pressure on G22 countries.⁴⁰

As we have stated, the developed world does not like the institutional arrangements in the WTO. They much prefer the UN Security Council or the International Monetary Fund and World Bank structures where influence coincides roughly with a country’s Gross Domestic Product. While in New York last year, Lula compared international politics to labor negotiations. He said that one worker alone is nothing, but with a union, workers can challenge the boss.⁴¹

Since then, developing countries have begun to go on the offensive. The Peace Clause, which prevented countries from bringing charges of unfair agriculture tariffs against other countries, has expired and India subsequently announced that they would impose a tax on any subsidized agricultural imports from the US and EU. The measure was said to be proposed sometime after the Peace Clause ended.⁴² Brazil is also bringing similar charges to the WTO against the US.⁴³

Small farming v. Agribusiness?

Michael Lind of the New America Foundation predicted that this new coalition would not last, but not because of US pressure. He wrote in the *New York Times* that the coalition “is bound to fray when it becomes clear that while the free traders are getting what they want out of the

³⁸) Agence France Presse, 10 Oct 2003b.

³⁹) World Trade Organization, 11 Sept 2003.

⁴⁰) Xinhua News Agency, 10 Oct 2003.

⁴¹) Henwood 2003.

⁴²) Financial Times, 15 Oct 2003.

⁴³) *New York Times*, 24 Jan 2004.

relationship – lower taxes and expanded markets – the populism and environmentalism of the left will be thwarted.”⁴⁴ He agrees that subsidies ought to be reduced, but not because it will make room for the economies of the developing countries to grow, but because they exploit consumers and taxpayers in the developed countries. He says the enrichment of peasant farmers in developing nations is an unlikely result of farm subsidy reform. “Ending subsidies,” he continues, “if it leads to modernization of agriculture in the developing world, is likely to destroy the very sorts of communities the pro-trade left seeks to support.” Lind is arguing that as they are replaced with agribusinesses, family farmers will become as rare in developing nations as they are in developed nations. This is analogous to what occurred in the United States after the invention of the cotton gin. The mechanization of cotton-picking created a mass migration of largely Black workers from the rural countryside of the South to the industrial cities of the North. In the developing world, however, there are not as many industrial opportunities as there were in the US during the late nineteenth century. Lind proposes two options: keep inefficient small farmers or support a more efficient use of the land by converting to a modern agribusiness system and force many of the farmers off of the land as they become replaced with machines.

But Doug Henwood pens in *The Nation* that the choices extend beyond traditional small farming v. huge multinational agribusinesses. We are able to develop technology and trade policies in such a way that we can have the best of both – the fairness and social egalitarianism of small farms and the efficiency of agribusinesses.⁴⁵ We need to shift the focus from protecting the job to protecting the worker. Protectionist policies that keep jobs in the US for example at the expense of jobs in, say Argentina, are not the solution. We need to develop something more sustainable for the future of multilateralism. Providing funds for re-training when economies shift protect workers better than expensive subsidies that keep jobs where they are.

Conclusion

In this paper we have discussed the formation of the G22, the WTO, and have placed these in a context of global inequality. Future studies can help

⁴⁴) Lind 2003.

⁴⁵) Henwood 2003.

to refine and operationalize aspects of globalization theories. Globalization is creating cross-national ties among members of the Global South. The relationship between China, India, and Brazil developed into one not seen before within WTO negotiations.

The fight for farm subsidy reform continues to be an uphill battle. It now largely resides in the domestic politics of the individual G4 countries. In the US, Senator Charles Grassley (R-Iowa) has been working to impose limits on farm subsidies for some time, but has met fierce resistance. The issue is so contentious that a Texan cotton farmer accused the Senator of wanting to start a new Civil War.⁴⁶ But the farm subsidy issue needs reform not just for international policy reasons, but for domestic policy as well. The farm industry in the US has become so inefficient and dependent on farm subsidies that they account for nearly one-half of the total net income for American farmers.⁴⁷ Still the National Cotton Council of America (NCC) maintains that the law does not need to be changed. “It provides an adequate safety net in times of low prices.”⁴⁸ The NCC naturally maintains such statements that are so contrary to the fact because any limits in farm subsidies will cut into their revenue.

The developed world seems to have been largely indifferent to the potential progress of the developing world, should the subsidies be lifted. As the challenges of globalization continue to mount, the pressure for success within global institutions will rise and the issues of international security, environmental sustainability, disease control, and the global economy will only become more urgent. As we become a tighter knit global community, it is to our advantage to have a tighter knit global policy independent of the false divisions we have created.

The case of the G22 provides insights into global social movement coalitions. Seeing the coalition of nation-states as a proxy for the global farmers movement helped to rally civil society actors at the Cancun talks. The coalition also built upon the existing MERCOSUR trading bloc and expanded globally to developing countries with a similar agricultural interest.⁴⁹ G22

⁴⁶) The New York Times 10 Nov 2003.

⁴⁷) Environmental Working Group.

⁴⁸) National Cotton Council of America.

⁴⁹) This structure was marshaled in a manner not dissimilar from the way in which Morris 1986 discusses how the US civil rights movement used the already existing structure of the Church to aid in the mobilization of social movement participants.

members had higher levels of democracy than non-G22 countries, suggesting that countries exposed to democracy may be more likely to participate in transnational coalition politics. G22 countries also were located in the semi-periphery. This is consistent with resource mobilization theory at an organizational level, where countries at the semi-periphery leverage their structural position to gain additional advantages.

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