



13 August 2003

THE LIVESTOCK REVOLUTION: A Pathway from Poverty?

TRADE AND RESEARCH CONNECT TO BENEFIT DEVELOPMENT

**BACKGROUND PIECE BY THE RT HON MIKE MOORE,
FORMER DIRECTOR GENERAL, WORLD TRADE ORGANISATION**

"The great pyramid of science needs a wide base of support to gain height".

So writes Mike Moore, Director-General of the World Trade Organisation from 1999 to 2002, in the concluding pages of his new book "A World Without Walls".

Moore believes that implementing the Doha Development agenda in a coherent way will require a sharing of the benefits of research.

"Nowhere is this more true", he says, "than in the development and application of new knowledge in genetics and biotechnology, and in the need for capacity-building in developing countries".

"We must use diplomacy to provide the political and bureaucratic space and intellectual grace and space for information to flow freely, and allow leaders to create solutions and build constituencies to accept action", he writes.

The conference of all the World Trade Organisation's Trade Ministers will be held in Cancun, Mexico in the middle of September.

Agriculture as always will be a defining issue. The Cairns Group of agricultural producers will say not enough. Japan and Korea will say everything but rice. The US will say abolish all subsidies now and a thirty year battle will drag on.

However for the first time the Europeans have adopted what some of us have been advocating for decades, decoupling farm production from taxpayer support. That is, support farmers not farming. Poland has more active farmers than the rest of Europe and the enlargement of Europe by 10 new members will put intolerable costs on the EU's budget.

The Common Agricultural Policy already devours half of Brussels's budget. The EU in return asks for ownership of brand names based on location. In WTO speak, Geographic indicators. Names such as Champagne, Burgundy, Bulgarian yoghurt have strong commercial power. This is where the old world Europe, India with Darjeeling tea, collide with the new world of the Americas, South Africa, Australia and New Zealand.

**The ATSE Crawford Fund wishes to thank its sponsors and supporters for this event including:
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Livestock Australia, and University of Sydney Orange**

But a deal in agriculture will return 4 to 5 times more than all the aid to Africa. Abolishing cotton subsidies would return over \$250 million to West Africa as President Bush was recently reminded.

Then there are the so-called new issues, which are not new but cause concern for some developing countries. Investment, competition, trade facilitation and transparency in Government procurement are being pushed hard by some developed countries. These are also issues of good governance and can be of great economic benefit to poor countries. However, many lack the institutional ability to implement these policies. That is where capacity and institutional building comes in.

Most WTO members don't have domestic competition authorities. How can they without assistance sign up to any international regime? However, special treatment and the sequencing of agreements can find a common compromise. Access to medicines excites civil society and NGOs given the millions who will die from malaria, Aids and tuberculosis. The contradiction here is that everyone wants investment to find cures and then wants the drugs as cheaply as possible. A compromise was reached when the Doha Trade Round was launched and can be maintained. That is why the \$15 billion USAids Initiative in Africa is so important.

Despite the headlines of impasse, blockage and looming disaster I'm still very positive. Why? Cancun will not fail. It is silly to compare it with our failure at Seattle. Seattle was black and white. To launch a Round or not? Cancun is about benchmarks with Ministers showing more flexibility and putting down markers for the following Ministerial that should conclude the Round.

That meeting will be after the US Presidential election in late 2004. Smart timing. The venue has yet to be decided but Hong Kong China is mounting an effective campaign to be the host. Hong Kong would be a good choice.

The world has a lot to gain from a successful Doha Development Round. It would grow the world economy by \$2.8 trillion and that would be like adding another China to the global market place. This would lift over 320 million people out of extreme poverty within 10 years.

Another reason why I am optimistic is that there is a core group of Ministers who now have been working together for 5 years. Much political capital has been invested. They know each other's needs. Nowadays, ministers have more differences with hometown constituencies than with each other. All must have something to take home.

The Peace Clause, which stops the WTO's disputes system being used in agriculture, will expire and the multifibre arrangement on textiles comes into force next year. All issues that will concentrate Government's minds. The potential for costly chaos is high if they fail.

Another factor that will weigh heavily on many Ministers minds is that the big players - the US, EU, China and Japan - have other options. Regional and bilateral deals are gaining momentum. Many are due to be signed up in 2005. This historic train should not be derailed by a few countries who represent less than 2% of world trade.

If they do use the consensus principle of WTO negotiations to block success then unpalatable options that exclude the poorer and smaller players will be signed up.