

**Human Rights, Multifunctionality and Asian Agriculture in the  
WTO Trade Negotiations**

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**Presented at**

***The International Symposium on the WTO Agricultural  
Negotiations***

**Tokyo, Japan**

**July 26, 2002**

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# Human Rights, Multifunctionality and Asian Agriculture in the WTO Trade Negotiations

Asian agriculture is at a pivotal moment in history. There are challenges, problems and opportunities. The moment has come in which Asian farmers and consumers need to decide whether they will control their food related destiny, or whether it will be decided for them. My objective today is to raise and provide some information on three questions that pertain to that problem (1) Do all Asians have *really have the right* under current WTO rules to decide how agriculture should be structured as part of their economies? (2) Do they *really have the right* to determine the amount of food imports they will tolerate in a trade-liberalized world? (3) Can Free Trade Agreements (FTEs) be agreed upon that will provide food security to them? These are daunting questions and they are the pillars of my speech to you today. Lets start with human rights.

## The Right to Food

Each person has his or her own definition of food security and most people would probably agree that food security is a **basic right**. However, few probably know it is a topic covered in several international covenants such as *The Universal Declaration of Human Rights*, a resolution adopted unanimously in December 1948 and amended in January 1976 by the United Nations General Assembly. Among other items, that document includes the right to life, liberty, and security of person. It covers other “*rights*,” such as freedom from coercion or constraints about their choices or actions.

There is another document promulgated by the United Nations called the *International Covenant on Economic, Social and Cultural Rights* which took effect in 1976 that might be enough to convince anyone that all countries have a *right* to a nationally decided minimum level of domestic food production their citizens feel will provide them with

a feeling of well-being, happiness and security. I believe that the issue should not be about whether that right exists, but rather how the level should be set.

It seems obvious to me that food is different than other commodities, and that a “level playing field” should be an integral part of fair and equitable agricultural trade rules that permit various forms of nationally decided forms of agriculture to co-exist between food-importing and food-exporting nations. It also seems obvious to me that no nation should be coerced into an untenable level of food dependency when technically it has the ability to produce a basic supply of certain foods. This particularly applies to Japan, in which the food self sufficiency rate has dropped to just 40 percent due to trade liberalization because of the very small size of farms resulting in very high cost production.

There are several sections of that Covenant brought into effect a quarter century ago that pertain to present day food production and WTO country proposals on multifunctionality. Article 1 states “All peoples have the right of self-determination. By virtue of that right they freely determine their political status and freely pursue their economic, social and cultural development. All Peoples may, for their own ends, freely dispose of their natural wealth and resources without prejudice to any obligations arising out of international economic co-operation, based upon the principle of mutual benefit, and international law. In no case may a people be deprived of its own means of subsistence.”

There is also Article 6 which says “The States Parties to the present Covenant recognize the right to work, which includes the right of everyone to the opportunity to gain his living by work which he freely chooses or accepts, and will take appropriate steps to safeguard this right.” Article 11 exhorts States Parties to take into account “the problems of both food–importing and food-exporting countries, to ensure an equitable distribution of food supplies in relation to need.”

These rights are your rights. It is up to you to fight for amendments to rules set in the Uruguay Round of GATT negotiations to allow nations to decide on the level of food import

dependency they feel is acceptable. Such amendments can be made by virtue of Article 20 in the Uruguay Round (reaffirmed as Article 13 of the Doha Ministerial declaration) which states, “We take note of the non-trade concerns reflected in the negotiation proposals submitted by Members and confirm that the non-trade concerns will be taken into account in the negotiations provided for in the Agreement on Agriculture.”

Much of the hullabaloo surrounding the failed WTO Seattle Ministerial Conference in 1999, that was the predecessor of the Doha conference, centered on grave concern about globalization leading to homogenization of cultures, disappearance of diversity, a feeling of helplessness and being controlled by powerful international forces. Let us return for a moment to *The International Covenant on Economic, Social and Cultural Rights* so I can quote Article 25, which addresses this issue by saying, “Nothing in the present covenant shall be interpreted as impairing the inherent right of all peoples to enjoy and utilize fully and freely their natural wealth and resources.”

Surely, Article 25 also covers the rationale for why the “Asian Farmers’ Group for Cooperation” (AFGC) has endorsed the concept of multifunctionality in agriculture. It is a reason why they argue for the right for each nation or group of nations to organize and protect a minimal portion of agriculture the way they want to, even to the extent of maintaining high-cost, small family farms if that is its citizen’s choice. In actuality, nations are allowed to do so under WTO rules by the use of direct subsidies to farmers. These subsidies can become quite large as exemplified by the U.S. farm bill signed into law on May 13. This masterpiece of waste, with its unbelievable new farm subsidies, is a grotesque slap in the face developing countries in particular because of their inability to compete in what might be called a “subsidy war.” The new 10-year, \$190 billion bill includes \$51 billion in new aid for American farmers. It is the opposite of what trade liberalization is supposed to be, the phasing out of subsidies rather than phasing them in.

An aspect particularly galling to developing countries—and to Japan with its small farm agricultural structure—is that large farms in America will, without doubt, receive the bulk of the subsidies. U.S. politicians' talk about preservation of family farms, small farmers and their traditions, but act completely differently as this bill reveals. Additionally, this bill will vastly improve the cost effectiveness of U.S. agricultural exports.

The United States seems determined to go its own way on many international issues such as combating terrorism, world justice and now on agricultural subsidies and agricultural structure promotion. In contrast, virtually the entire developing world, and substantial aid agencies, support and promote small size farms in their development programs. It is also a rationale for why other nations outside of Asia such as Switzerland, Norway, Mauritius and South Korea have joined with Japan to use multifunctionality as the basis for their WTO negotiating proposals. It is also why the EU provides strong support for multifunctionality, and why it is now a generally recognized and accepted concept.

Reading and rereading *The International Covenant on Economic, Social and Cultural Rights* has convinced me that no country, or delegates to a world organization, have an ethically based justification to impose conditions that would eventually lead a nation to essentially lose much of its agricultural sector. Furthermore there is no justification to force citizens of any nation to live with a nationally unacceptable low food self-sufficiency rate just because of an exceedingly high economic comparative disadvantage in food production due to geographical or other conditions. I conclude this part by observing that the Covenant's Article 1 says "The States Parties to the present Covenant, including those having responsibility for the administration of Non-governing and Trust Territories, shall promote the realization of the right of self-determination, and shall respect that right, in conformity with the provisions of the Charter of the United Nations."

## **Asian Free Trade Agreements and WTO Rules**

There are several major stumbling blocks to the development and success of bilateral and regional FTEs. It is commonsense that partners in international trade, as in any business, must mutually benefit. Generally, that means one must have something the other needs or wants but is unable to produce, or for which its cost is high. NAFTA, the North American Free Trade Agreement including Canada, the United States and Mexico, which will soon celebrate a decade as a successful partnership is a good example of a winning combination because these three countries have more complementary aspects than supplementary ones. Thus, all three win by increased trade. There have been numerous problems related to agriculture as some commodities overlap, but such problems typify those encountered in any business relationship.

There is a serious problem in Asia to the development of FTEs because of (1) economic discrepancies and (2) similarity of commodities, including many in agriculture such as rice. Not all countries can be low-cost textile producers or automobile exporters. But, by careful economic analyses and strategic planning specializations can be developed which benefit all, particularly in goods and services. In effect, it is in the interest of Asia to develop FTAs—but under appropriate conditions. Let me now sum up by some thoughts on how to overcome the problem of agriculture in negotiations.

### **My Main Points**

You will recall I started out by asking whether Asians have the right to decide how their agricultural sectors should be structured. I concluded that international declarations and covenants apparently provide the right, but that while WTO rules allow countries to set policies, in actuality many cannot carry them out. One problem is they can develop policies to set some minimum level of food self-sufficiency but cannot enforce it under WTO rules. Another is that when countries develop FTEs they must cover all sectors of the economy including agriculture.

I conclude that Asians should band together to exercise their rights under WTO rules which allow members to argue that non-trade concerns be taken into account in the negotiations. These non-trade concerns cover multifunctionality of agriculture, and should cover problems of agriculture in developing FTEs. I argue that in addition Asians should present a strong block that includes the rights of nations to set some level of food self-sufficiency by each nation. At the moment Japan has the most urgent need to prevent its food self-sufficiency rate from falling lower. It is extremely vulnerable and is always considered an easy target for trade liberalization because it is an economically developed nation. Let me remind you that at the world level many Asian countries are relatively high cost in many commodities too. In effect, each Asian nation has its own set of problems, but all are in the same boat, and as time passes many will be at an increasingly severe disadvantage due to technology development in major exporting countries.

WTO rules allow one vote per member. This means that if the Asian nations decide specifically what they want to do and show solidarity on achievable goals they stand to make an enormous impact in setting appropriate modalities for the negotiations, and in the negotiations themselves. It is interesting that most Asian countries feel they are left out and marginalized. Now we know how small farmers must feel.