

**Trade Initiatives from Human Development Perspective
(TIHP)**

Regent Plaza Hotel Karachi 27-28 February, 2006

Report on training workshop for journalists

Trade and Human Development

Journalists for Democracy and Human Rights (JDHR)

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Day One

Journalists for Democracy and Human Rights (JDHR) in collaboration with Trade Initiatives from Human Development Perspective (TIHP)-UNDP and Ministry of Commerce organized a two day training workshop for journalists on “International Trade and Development in Karachi during 27-28 February 2006. It was the first workshop from the series of five workshops.

Speaking at the inaugural session, Syed Shahid Shah Jillani, provincial coordinator of Journalists for Democracy and Human Rights (JDHR) Sindh province said being the most enlightened people in the society it is journalists’ duty to understand human angle in trade, production and economy. We should be vigilant and scrutinize various trade related agreements, which eventually harm our interest. He said the prime objective of the JDHR is to sensitize the journalists’ community on international trade and human development issues further to create awareness among the people and the stakeholders through their valued writings.

Shafqat Munir, Regional Coordinator South Asia Centre for Economic Journalist (SACEJ) and also the President of JDHR, highlighted the role of Media telling how it can influence policy making on trade issues in public interest by mainstreaming public interest concerns in trade negotiations He called for a greater role of civil society in advocating and lobbying for the pro-people stance in the ongoing trade negotiations under WTO regime, accelerate media activism on various public interest developments.

Mr. Zubair Faisal Abbasi from TIHP-UNDP in his presentation on "Trade Initiative from Human Development Perspective" linked the trade with human development. He said that for development of active industrial and technology policy and climbing the value chain, success lies in industrial capacity. A typical firm in a developing country faces structural disadvantages such as information processing weak capital market (especially for SMEs) and poor support institutions.

Providing astonishing facts about the development and the cost to environment and human development, he said that shrimps export from Bangladesh adds 1.1% of GDP but water related soil damages and loss of grazing land cost around 20-30% of the value of the exports. In Tajikistan, cotton export is the third largest export item with incidence of water borne diseases growing 9 times higher. These costs should be factored in trade analysis, he suggested.

About the developing and developed countries parity in trading system, he said it favors the developed countries as rich are taxed less and the poor more. Quoting an example, he noted that Vietnam pays \$ 470 million in taxes on exports to USA for exports worth US \$ 4.7 billion while UK pays the same amount in tax on exports worth \$ 50 billion. The volume of exports is more than ten times higher but the tax is the same.

Highlighting another point, he said the commodity crisis is also threatening livelihoods of the poor nations and producer of valuable commodities. Quoting another example, he said coffee retail sales increased from \$30b in 1990 to \$80b in 2003, but coffee exporters recovered only \$5.5b compared to \$12b in 1990. For every \$2 in aid received by Ethiopia in 2003, \$1 was lost through lower coffee prices. The rich countries adopt different planned ways to turn the trade balance with the poor and the least developed countries in their favor. The supermarket chains of the rich countries are another net to get maximum benefit from the poor countries produce. These supermarkets are the gatekeepers to developed country markets as 30 chains account for one-third of global grocery sales but concentration of buying power influences prices. On how trade can deliver for the Millennium Development Goal, Mr. Zubair suggested that we need to lobby for lower

peak tariffs to no more than twice the average tariff, to relax rules of origin, to prohibit export subsidies and to limit production subsidies and to relax constraints on policies.

A leading economist and expert on WTO issues, Mr. Shaukat Randhawa in his presentation on Agriculture, Food, Security and Human Development gave elaborated information on Pakistan's agricultural sector and the WTO agreements. He said Pakistan whose 67 % population lives in the rural areas which contribute more than 25% in the GDP growth, while this sector employees 42% labor force. It is an important fact that 68% of the country's exports are agriculture based. Pakistan is immensely diversified country that has high mountains, plains and coastal areas. Pakistan has diverse pattern of crops, livestock, and fisheries but so far these areas remain somewhat neglected and depend upon natural factors. Trade liberalization of Agricultural products is having negative impacts due to dismantling of non tariff measures (NTMs), binding of and reduction in tariffs, reduction in domestic support and reduction in export subsidies.

He said since the country's 68% exports are agro-based, so we need to take judicious way to earn foreign exchange from our agriculture sector while making world trade fair in the WTO negotiations which primarily promote trade liberalization. There is a dire need that the commitments under reform programme should be made in an equitable way among all members, with regard to non-trade concerns including food security. There is also a need to protect environment and to ensure that special and differential treatment for developing countries is an integral element of the negotiations, and taking into account the possible negative effects of the implementation of the reform programme on the least-developed and net food-importing developing countries, he added.

While discussing the negative concerns Zubair Abbasi said vulnerability of developing countries due to reduction of protection, inflow of cheaper imports would harm local farmers, producers and other stakeholders. Now the cheaper cotton from Uzbekistan, wheat from Russia or any other agricultural products have negatively impacted our agricultural production, which created different problems including unemployment, and most importantly the elimination of local tastes of agricultural products. The disincentive

for production will deprive local poor producers of livelihood, employment and other social amenities such as health and education. Issues of food security, poverty and rural development are important for the poor developing countries and LDCs, said Zubair. For many developing countries, key agricultural sectors that were vital for the economy in terms of food supply (also food security), employment, economic growth and poverty reduction, were being seriously eroded due to the inability to compete with cheap imports, he added.

Day 2, February 28:

On the second day Dr Abid Qayyum Suleri of the Sustainable Development Policy Institute (SDPI) and Shafqat Munir of JDHR spoke on poverty, trade, human development and role of media.

Dr Abid, while giving an overview of the developed countries in World Trade Organization (WTO), said they always influence developing countries and the least developed countries (LDCs) to cut tariffs under multilateral and bilateral trade agreements, despite having an equal right to vote. He said WTO did not allow veto power to its members as the United Nations allows to its five members. WTO being one country one vote organization takes decision with three-fourth majority. However, the rich countries pressurized the poor countries to bow to their demands in WTO through International Monetary Fund (IMF), World Bank (WB) and Asian Development Bank (ADB) where they have an edge and influence in terms of number of votes.

He was of the view that developed countries were currently pushing for new trade rules that would allow their industrial exports to break into foreign markets for industrial goods. In the current WTO negotiations on 'non-agricultural market access' (NAMA), they were pushing for major reduction of tariffs in developing countries on industrial imports as part of new multilateral agreement. The poor are encircled through different novel and sophisticated means. Practically we live in an unequal

world that could be judged from the fact that cost of ending extreme poverty is estimated about \$300 billion which is less than 2% of the income of the richest 10% of the world's population, Dr. Suleri added raising a question as to why these rich spend a meager amount to end poverty.

Talking about Pakistan's efforts for poverty alleviation and enhancing production, trade and steps to protect the country's interests, he was critical that we lack policy coherence on all fronts. On the internal front some policies are virtually negating each other and on many occasion different ministries lock horn on petty issues and country suffers. Policy clash is visible by the latest example on the issue of bird flue as health ministry has different opinion while the food and agriculture ministry has divergent view but their difference of opinion has cost a heavy loss to poultry industry. He linked the instable policies with inconsistency in governance. We only shifted from Colonialism to Colonelism (Military rule) and we still have the dream to achieve a stable democracy. Frequent military and weak democratic governments have resulted in adhocism, lack of interest and thus serving their own agendas.

Dr Abid pointed out that we always follow a quick fix policy. In most of the cases, we take decisions in a hasty and adhoc manner, which lacks national interest, vision and clarity. He said without effective national policies there can be little progress but good national policies alone are insufficient. New direction in international cooperation is vital for accelerated progress towards the MDGs but this requires systemic advance and not piecemeal reform that must include progress with problems, he added.

Dr. Abid Sulheri in another presentation on "WTO: Havana to Hong" elaborated the history of progress on the WTO. He said any assessment of the WTO trade negotiations rounds in different times depends on benchmark employed. He traced the history from Singapore, Geneva, Seattle, Doha and Cancun. He was of the view that these rounds have little impact on the poverty reduction, no significant contribution towards eventual signing of a high quality agreement, no substantial outcome of ministerial conferences with a hypothetical alternatives and legally binding commitments.

In all the rounds, the only winner has been the WTO itself, said Dr. Abid adding that the WTO members were unable to make much progress beyond agreeing to eliminate agriculture export subsidies. Ticklish issues of modalities and formulas for tariff cuts have been deferred for future, a little progress has been made on services trade liberalization, there have been no substantial gains for LDCs while 2006 is set as self imposed deadline.

Shafqat Munir, President Journalists for Democracy and Human Rights (JDHR) in his presentation on “The Role of Media in Mainstreaming Public Interest Concerns in Trade Negotiations”. He said media has a mandate to influence international trade agendas to protect the right to know of the people. He said journalists should take up story ideas from a rights-based approach on trade agreements. Media need to promote the concept of giving rights on explicit legislative basis and highlight the importance of incorporating human angle instead of corporate greed to trade negotiations, as the possible outcome of these negotiations would affect the people.

Shafqat said the concept of rights not only covers individual freedom of expression, voting and trade, but basic needs of human beings including water and sanitation, food, housing, employment opportunities, a clean environment and increasingly gender and cultural rights, and security as hardcore developmental issues. There is consensus among the human rights groups that a rights-approach could help reduce vulnerability provided legal instruments support the approach, he said.

Much of public in industrialized world share an image of developing countries and LDCs which is incomplete and inaccurate as western audience often lack knowledge of these countries and their trade potentials, trade conflicts and economic policies, he said. West perceives us due to their wrong estimation as non-competitive entities with low production quality and human skills. He said that Third World countries receive far more material about the First World than the First World receives about the Third World. South is shown on the Northern media as poor, malnourished, uneducated, disaster

riddled and conflict proven area. When the developing countries are featured on the Western media, a high proportion of the coverage is related to war, conflict, terrorism and disasters. (Example: the coverage of BBC, Independent Television News, CNN, FOX and other channels).

Shafqat said South Asian media can change this perception through its activism that can influence International media to look at developing world's issues by using news resources more effectively and with professional ethics. Convergence of electronic networks and services is a global phenomenon that transcends national boundaries and increases international competition. South Asian media need to fully exploit this potential for outreach to the public in industrialized world. Civil society and independent media think tanks and groups in the North should be contacted to seek their help to clear misperception of the South, particularly the South Asia whose share in world trade is one percent, he added.

At the end of the two-day workshop, Vice President JDHR Bilal Thaheem thanked participants and the experts who provided a lot of stuff for the journalists to raise awareness about injustices in the name of free trade. He also thanked TIHP-UNDP and the Commerce Ministry for providing support for the training workshops for journalists.
