The EU, WTO Agricultural Negotiations and Interest Groups

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The international arena has become an overpopulated environment in which besides states, business sectors, agencies, non-governmental organizations (NGOs), interest groups, local authorities or provincial administration have acquired greater coherence, louder voice, and established the agenda from human rights to environment. This complex web of actors is always in motion, animated by the efforts of individuals and organizations to advance their interests.

What has also changed in the international arena is the interlocking density of global arrangements. The post Cold World War is characterized by an increased demand for international agreements and institutions regulating the conduct of international affairs. International negotiations have become more complex with an increasing number of countries and a differentiated nexus of demands. Among them, trade negotiations have gained increased visibility. For long, states’ economic diplomacy remained in a relative isolation, far from public scrutiny. It is increasingly difficult in an interconnected and interdependent world, mapped out by a complex web of economic relations and negotiations to shroud economic diplomacy in secrecy.

As a result, peak associations begin to take trade negotiations as political arena in which to launch strategic initiatives. The demonstrations in Seattle were an illustrative example of the emergence of the civil society in the realm of economic negotiations. The alliance of Green groups such as the Sierra Club, Friends of the Earth, WWF or Greenpeace, human-rights campaigners, consumer rights activists pushed for transparency at the World Trade Organization (WTO). International organizations facilitate transnational linkages between NGOs in providing a place where social movements can challenge nation-states and international norms, and offering them an opportunity to interact and work together (Passy, 1999: 155-161). Interaction among groups and between groups and states in international arrangements have created a complex, multi-layered and multi-dimensional worldwide web of interaction and influence (Broadhurst, Ledgerwood 1998: 1).

Interest groups and NGOs have increasingly scrutinized trade negotiations. However, the intensity and the way they have participated to the trade negotiations have dramatically changed in the past decade. The WTO system, which has emerged from the Uruguay Round of negotiations encompasses a General Agreement on Tariffs and Trade (GATT) and twelve associate agreements, a General Agreement on Trade in Services (GATS), and an Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). The WTO has also become a rather comprehensive regime and a highly regulated one. This wide array of issues regulated in Agreement have complicated the
negotiations. Independent issues are now overlapping. They nurture from other negotiations to finally constitute a complex and interlinked pattern of relations. This complicates negotiations.

Agriculture is on the international trade agenda as part of the “built-in provisions” for starting new rounds of negotiations. Some issues, which were negotiated independently, are highly relevant to agriculture, and intertwine with agricultural issues, such as the sanitary and phytosanitary measures, or the technical Barriers to Trade (TBT), international standards and science. As a result, this incremental regime is likely to impact upon the number of players and their patterns of influence. New issues on the agenda induce the access to an extended array of groups other than farmers who may take part in the negotiations. In the agricultural negotiations, farmer groups are likely to exert their pressure during the coming negotiations, but other groups such as the consumer groups, or the environmentalists are likely to join, complicating the game.

The paper cannot explore the broad-ranging issue of lobbying, but aims to draw a parallel between lobbying the EU and the WTO negotiations. It aims to analyzing the core issues and interests underlying the agriculture negotiations, which have become intertwined with other components of the Marrakech Agreement, notably the Agreement on Sanitary and Phytosanitary Measures. The paper will review the positions of the main contenders in the agricultural negotiations, and the European, American and Canadian interest groups, which have vested interests in these negotiations.

An Overcrowded Environment

The European integration has opened the way to a vast literature on pressure groups (Mazey and Richardson 1993; Van Schendelen 1993). However, studies concerning the international economic negotiations are relatively scarce. The bulk of literature on interest groups and NGOs in international negotiations focus mainly on environmental and human rights negotiations. Is lobbying WTO similar to lobbying the EU?

Richardson, Gustafsson and Jordan have emphasized the continuing importance for interest organizations to access through national governments. They also note the numerous groups have to be accommodated in the policy process. Many policy sectors are now "overcrowded" with increased number of interest groups, resulting in difficulties to reach agreement in each policy sector (1982: 5). They may act sectorally by creating a sectoral, cross-sectoral, regional, or other type of political
platform, or go international and/or transnational forming alliances with other actors in different countries or in transnational federations and umbrellas.

Agriculture is entrenched in the policy arena, and characterized by vested interests. Richardson (1993: 6) notes that farmers in all Western democracies have achieved very favorable public policies which distribute benefits to them at the expense of consumers. They have attempted in vain to bar the participation of non-agriculture groups in the making of agricultural policy. Over time, environmentalists, food health groups and even taxpayers have begun to demand participation in the process by which agriculture policies are determined. They have entered the policy making arena because they had a direct interest in the policy process. They acted as "movement entrepreneurs eager to gain influence and social position. In particular, environmentalists have increased their participation by widening the range of their interests, and by scrutinizing carefully the policy agenda.

In the United States, environmental organizations have started with the establishment of NAFTA (Leebron, 1997: 200). NAFTA negotiations crystallized concerns addressed by environmental groups. They had different visions, and wanted to see provisions on health and safety, transboundary pollution, environment, sustainable agriculture included in the agreement. Coalitions of NGOs were prompted to build, and the government gave in and opened the NAFTA agreement to environment concerns. NAFTA encompasses a separate trilateral agreement on environment1. Environmentalists were placed in key USTR Public Advisory Committees, and Congressional committees invited environmental group leader to comment on the integration of environmental concerns in NAFTA. Environmentalists have not limited their activity at NAFTA. They were quite active in the dispute between the United States and Mexico at the WTO, over US action in banning imports of tuna caught by processes that did not ensure standards adopted by the US Marine Mammal Protection Act for dolphin safety.

However, this does not mean that groups occupy the same position within the agricultural decision-making process. These groups may have differentiated status, with farmers in the forefront, and some secondary groups such as the environmentalists or food health groups.

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1 The Commission for Environmental Co-operation, which is located in Montreal, is comprised of a three-member Council of cabinet-level or equivalent representatives from each country: the U.S. Environmental Protection Agency Administrator, Mexico’s Secretary of Social Development. And Canada's Minister of Environment; a Secretariat and a Joint Public Advisory Committee. A secretariat was created in Montreal.
decision-making process. Smith (1989: 151) claims that concerning agriculture, there is a two track policy community that could be called the primary and secondary communities. The primary community includes the groups intimately involved in negotiations and discussion over policy on a day-to-day basis whilst the secondary community involves other groups that are consulted on an ad-hoc basis (Jordan 1990: 322). This multiactor constellation of political, social and economic actors affect major decisions and also force issues on to the agenda. The examination of the link between those actors allows to understand how domestic policy emerge and affects international policy making.

Mazey and Richardson (1993: 193) pointed out that at the European level, the agricultural lobby enjoyed a privileged status within the EC policy process. Groups' best course of action is to use established contacts with national governments, but they have been substantially affected by the development of the Community into a political entity dealing with a vast array of issues. The relatively open character of the Commission has propelled the entry of well-organized groups, such as agricultural. The Committee of Professional Agricultural Producers (COPA) has played a key role in the management of the EC Common Agricultural Policy (Pappi, Henning 1999: 258).

The question of the best access to community policy is an interesting one. Van Schendelen argues that increasingly national public and private actors make use of other political routes to Brussels than through the national coordination procedure. However, neither national routes nor Brussels ones are exclusive. Interest groups may use either one or the other depending on the competence. In specific fields, they could lobby the EU rather than the national governments.

The WTO and the Civil Society

In international negotiations, interest groups may use the same routes as in the EU, acting transnationally or through national coordination procedure. However, the situation at the WTO contrasts. As mentioned above, economic negotiations have gained visibility only recently by being the focal point in the debate about globalization and free trade. The demonstrations in Seattle in December 1999 crystallized mixed feelings and increasing unease about globalization and free trade. Critics originated from trade unions, environmentalists, human rights and consumers, activists. These groups accused the WTO of striking down environmental, health and safety standards in the name of free trade.

Dan Esty (1998: 7) has listed the variety of roles NGOs play on the international scene.
They may act as:
- service providers, often as government subcontractors
- watchdogs or private enforcement agents
- lobbyists
- stakeholders or countervailing interests
- agents of civil society enriching the public dialogue and representing interests not reflected in national government viewpoints
- policy analysts or expert advisers to governments
- mobilizers of public opinion
- bridges between state and non-state actors connecting local and global politics
- change agents offering new viewpoints
- consultants to industry

All these roles may be performed by NGOs in the trade negotiations, but there is still no formal role for the civil society at the WTO (Esty, 1998: 4; Marceau and Pedersen, 1999), and governments can still speak clearly to each other, behind close doors and indiscreet ears. Member countries have always insisted to maintain their control over the GATT/WTO activities. Interest groups may use the national route to impact on trade negotiations. Although there is a strong case against NGOs role in the WTO, because of their special interests, there is indeed a case for an active role.

As emphasized by Marceau and Pedersen (1999: 7), NGOs play an important role at the national level, in disseminating information. Their participation would transcend the transparency deficit and would ensure a broader public support for the functioning of the WTO at a time when the organization is under increased public scrutiny (Esty 1998: 5). NGOs may enrich national political discourse with information on trade matters. NGOs are likely to generate useful information in the light of the high degree of uncertainty and complexity of environmental decision-making, and act as "intellectual competitors", by providing laboratory resources, skilled personnel, and carefully gathered data, many member countries are deprived of.

NGOs with their issue-oriented activity contribute to the network of professionals, "epistemic communities", who have a specific knowledge of an issue, in which uncertainty and lack of information prevail (Haas, 1992; Risse-Kappen, 1995; Elliott, 1998). They build coalitions with like-
minded officials, academics, and use these alliances to strengthen their own bargaining leverage vis-à-vis governments. Their scientific and technical expertise help them gain more access to decision-making. They point out the salient dimension of an issue from which decision-makers deduce their interests. They help to promote new ideas and beliefs that may become widely accepted before they can come up on the agenda. Some issues such as services, investments or environment (although environment is not yet on the trade agenda) were brought up to the WTO after they had been put forward by the epistemic communities. NGOs represent a significant element of opinion-building at the international level. They can express more freely their opinion, and are not tied by any specific mandate other than promoting their values and goals. As argued by Doherty (1994:201) «they are not constrained in the same way as governments to satisfy constituencies or preserve sovereignty».

Some NGOs such as the WorldWide Fund for Nature WWF have already proved able to propel themselves into the trade negotiations, although on the fringe in terms of influence, and in terms of resources. WWF slotted into the negotiations, by going around monitoring developments in the Uruguay Round of negotiations, providing information and support to members’ delegations. It disseminated information through publications, position papers, discussion papers, short position statements, or press releases. The position statement it formulated during the Uruguay negotiations turned to be a joined one with other 14 NGO’s that was sent around the world. WWF has enough prestige to have a formal alliance with the World Bank in the timber area. Peak organizations built coalitions among themselves to upgrade their influence at the WTO. WWF established a cross alliance with Greenpeace and the European Environmental Bureau. Corporations also impact on the negotiations.

For the first time, the Uruguay Round of negotiations saw an active participation of groups. A group of Latin American countries influenced the course of negotiations at crucial stages, in 1990 and in 1993 when the negotiations were nearing their end first before the Brussels conference and after the agreement of Blair House I. Other groups, the Hotel de la Paix Group, which focused on tariffs, standards; the "Victims" Group on antidumping; the "Friends" Group on trade-related aspect of intellectual property and trade-related investment measures warranted some consideration. However, the Cairns Group was one of the most prominent, and established itself as an actor of considerable influence in the Uruguay Round. It was composed of heterogeneous developing Brazil, Chili, Columbia, Uruguay, Argentina, Malaysia, Thailand, Philippines, Fiji Islands), and
developed countries (Australia, New Zealand, Canada); from both sides of East-West (Hungary was a member) and North-South divides, but with a strong commonality of interests and homogeneity of policy (Higgott, Cooper 1990: 641). All were competitive agricultural exporting countries. It acted as a third force between the two main contenders of the agricultural negotiations, the United States and the EU, attempting to bridge the differences between both of them, eventually aligning with the United States.

Farmers groups were quite active at the WTO during the Uruguay Round of negotiations, but their route was more national or at the European level (Landau 1998). The MacSharry Plan was met with stringent farm lobby demonstrations -not least in France-- which reflected the lack of transparency and the absence of debate and dialogue with the farm community (Legras 1993: 329). Farmers groups were sporadically active at crucial points of the negotiations that does not mean that governements or ministers of agriculture at the Council of Ministers did not take them into account. The Council of Agriculture Ministers is made up of representatives of the member states who must answer to their electorates, and who are the main target for interventions by pressure groups with homogeneous positions on agriculture, and which pursue a coherent strategy (Kohler-Koch 1994: 168; Mazey; Richardson 1993: 17).

States ameliorate their functions and their negotiation capacity by integrating groups or lobbies (Pfetsch, 1998: 175) to expand their policy analysis or expert advice. Dan Esty (1998) points out that in the NAFTA's decision-making process, environmentalists were placed on the key USTR public Advisory Committees. They were called before the Congress to testify alongside USTR on progress in meeting environmental goals within NAFTA and in environmental cooperation in parallel with the trade agreement. Congressional committees invited environmental group leaders to comment on the integration of environment concerns into NAFTA.

Many of the issues addressed by the trade agenda are pushed forward by the private sector. The first push for disciplines on services in GATT was made by American International Group (AIG) during the Tokyo Round. In 1978, AIG was joined by American Express Company (AMEX) in the efforts to open services. AIG devoted substantial effort and funds to ensure that trade in services and investment would be placed on the trade agenda of the Uruguay Round (Gibbs and Mashayekhi, 1998: 9). Similarly, the Intellectual Property Committee including a dozen of big

2 The mainstay of the alliance is to take into account whether logging is being carried out in a sustainable manner, and whether concessions have been handed out to responsible companies, rather than to the president's personal ties. The WWF provided the monitoring and the data (The Economist, 26 June 1999).
companies or pressure groups, such as the Pharmaceutical Producers Association, the Motion Picture Association of America, the Audio-Visual Industry, the Californian Chemical Industry, or the Californian Wine Industry exerted strong pressure upon the U.S. administration to place intellectual property on the agenda (Landau, 1996).

Likewise, powerful telecommunications such as the US Electronic Industries Association have been quite active in the 1997 agreement in telecommunications between the United States and Japan (Murphy 1999). These initiatives were strongly supported by the US executive branch, notably by the USTR. Big companies such as Federal Express, PriceWaterhouse Coopers, Andersen Consulting or Walt Disney company are pressing for comprehensive services negotiations including energy, accountancy and entertainment and media. They have created the World Services Networks to carry out their objectives. A transnational coalition of TNCs, backed by a transnational community of finance and banking interests have emerged to press for a more liberal international telecommunication regime.

Businesses and groups interests do not focus on the sole trade negotiations. Broadhurst and Ledgerwood recall that corporate interests in UN environmental activities have began during the UN Conference on Environment and Development (UNCED) in Rio in 1992. Some of the most active participants included the International Chamber of Commerce (ICC), which represented 7,000 companies and businesses, and two European-based groups, the World Industry Council for the Environment and the Business Council for Sustainable Development. Business and industry associations were successful in adding new elements on the international agenda during the Climate Change Convention in Kyoto.

**The Agricultural Negotiations at the GATT/WTO**

The Uruguay Round of negotiations took eight years to be completed, and this long-lasting process was due to negotiating agriculture. Agriculture remains one of the most politically sensitive areas facing governments across the world. Despite agricultural negotiations in the Uruguay round resulted in promises to liberalize, domestic support policy, import barriers and export subsidies

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3 In 1995, the US Electronic Industries Association drafted an outline of a Section 301 petition, posing a new, veritable threat that served as a negotiating weapon for the USTR and State Department.

4 The two merged to form the World Business Council for Sustainable Development (WBCSD), which has become involved in environmental issues since 1995, and has worked jointly with the World Bank, the OECD, the WTO along with the most powerful NGOs (The Sierra Club, the WWFN, and the World Conservation Union (IUCN)).
remain high in many industrialized countries and still oppose to free flow of goods. This hurts consumers in protected markets and farmers in the developing world. It is enmeshed with a range of social and political issues. Reaching agreements at an international level which could impact on a country’s agricultural sector therefore involves significant risks for politicians and governments. Largely for this reason, agricultural trade had not been subject to the liberalization achieved in Rounds prior to Uruguay.

The two main contenders, the United States and the EC had opposing positions at the start of the negotiations. In 1986, when the Uruguay Round was launched at Punta del Este, the EC was still determined to protect the CAP principles and mechanisms; these were not to be the subject of international negotiations, even though there was internal pressure to reform for budgetary reasons. Previous rounds of negotiations had inadequately tackled agriculture, but the United States was determined that this round would be different, and tabled its proposal to phase out all trade-distorting impediments- export subsidies, support measures and market access- by 2000 (Landau 1998: 463-4).

The Agreement on Agriculture provides a general framework of rules and disciplines to govern trade in agriculture, and substantial and progressive reduction in agricultural support and protection over an agreed period of time (market access, domestic support, export subsidies). The developed countries have agreed to abolish quantitative restrictions and other non-tariff measures on agricultural products by calculating their tariff equivalents and adding these to the fixed tariffs. As a result, countries have established new higher rates of tariffs for products to which they previously applied non-tariff measures. Countries agreed to reduce their tariffs by 37 percent over a period of six years from 1 January 1995. The Agreement allowed special safeguards if despite higher terrified rates some sudden increase of imports occurred.

One of the most important feature of the Agreement in the context of this paper is the provisions concerning subventions. Subsidies are used to dispose the surplus production in international markets (export subsidies) and for domestic support. In 1998, the OECD countries paid out $360 billion in agricultural support, with the highest rates being paid to rice, milk, and sugar producers (The Economist 25 March 2000). Thus, it would be unrealistic to aim at prohibiting their use. The approach of the Agreement on Agriculture was, therefore, to require countries accept commitments to reduce trade distorting subsidies. For this purpose, it divided subsidies into three categories: Green, Blue and Amber. Green and Blue subsidies are those which
are permitted to be used and to which reduction commitments do not apply. Amber subsidies include subsidies to which reduction commitments apply.

The Agreement on Agriculture does not restrict the rights of governments to grant subsidies for the improvement of productivity and efficiency of agricultural production or to adopt suitable measures to provide support for farmers. Green Box includes government expenditure on agricultural research, financial participation by governments in income insurance, payments for natural disaster, structural adjustment assistance, payments under regional assistance programs, and payments under environmental programs. The Amber support (commodity-specific) is subject to reduction with the exception that it is not included if below a "de minimis" level of five per cent of the production value of the commodity.

The major achievement of the Uruguay Round was to apply GATT/WTO discipline to agriculture however the results are mixed so far. The Agreement has not resulted in lower domestic support. Several countries, including the United States and the EU have increased their use of Green Box, or Blue Box area payments. Kym Anderson and al. (1999: 4) reckons that if the liberalization by both OECD and developing countries of agricultural goods markets in 2005 would boost global agricultural trade by more than half, making the OECD and the developing world $160 billion better off between them.

The Agreement on Sanitary and Phytosanitary Measures (SPS) has also an impact of the Agreement on Agriculture. It constitutes a considerable strengthening of constraints imposed by the WTO on national regulations and standards for trade in food products in applying mandatory standards, and sanitary regulations to imported products. These standards or regulations should not be so applied as to create unnecessary barriers to trade. They should be based on scientific information and evidence, and on internationally agreed standards. The principles of national treatment, scientific proof, harmonization, equivalence and mutual recognition, risk assessment, and transparency are clearly stated. International standards are recommended as they avoid distortions in competition. However, a country can introduce or maintain measures corresponding to a level of protection, which is higher than international norms if there is a scientific justification and provided that a risk assessment justifying the measure is carried out. The agreement encourages mutual recognition of conformity.
Many sanitary and phytosanitary measures have already induced some dispute involving mostly the United States and the EU (use of growth hormone for beef)5, but could potentially involve other countries. The requirement of scientific evidence was at the core of the dispute.6 Further disputes may arise in the future from the sensitive issue of genetically modified products (GMOs). One is already brewing between the United States and the EU in response to public concerns that genetically modified foods endanger public health, limited product approval to a maximum of 10 years, and is adopting a directive tightening labeling and monitoring of such goods. The EU has recently postponed decision to approve new GM crops7.

The agreement visualizes that negotiations for further liberalization of trade in this sector should begin before the end of 1999, but negotiations on agriculture should resume in 2000. The Committee on Agriculture foresaw some issues on the agenda: market access, and domestic supports (Blue and Green payments made by government) and special treatment for developing countries are regarded as principal issues on the agenda.

**Positions in the Agricultural Negotiations**

The commitment to new negotiations is not questioned by any government who were actively involved in the process of Analysis and Information Exchange (AIE), which was launched at the 1996 Singapore Ministerial. It may not be as difficult to agree to now as it was when the Uruguay Round was being launched, given the unilateral farm policy reforms in the United States and -- at least to some extent -- in the EU and Japan during recent years. Not surprisingly positions are diverging. The main protagonists will be as they were in the Uruguay Round the United States and the EU.

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5 The WTO panel over the EU ban of the use of growth hormone fed beef was in favor of the United States, and found that EU had not met the SPS requirement of scientific evidence to justify the ban. The EU did not comply to the decision. However, the US improved control on hormone-free meat to settle the dispute. http://www.wto.org; Reuters, 9 March 2000.

6 How much and what type of scientific evidence remains unclear. Where the relevant scientific evidence is insufficient, the SPS Agreement allows Member to adopt provisional measures on the basis of the precautionary principle. The EU’s application is quite stringent, and has made a large use of the precautionary principle; hence, the disputes between the United States and the EU so far.

7 The EU regulatory committee was in charge of the release of two swede rapes, one manufactured by Monsanto (USA). The committed failed to come to a consensus, and decided to put directly the issue to the EU member states. Although the Commission had proposed that the products be approved, governments of the 15 EU countries have adopted stricter marketing rules (for labeling and monitoring, and a limited product approval to a maximum of 10 years, in response to public concerns that genetically modified foods are a public health hazard. The directive will undergo a second reading by the European Parliament in April.
The EU has a firm stance in its defense of the CAP and its principal instruments, export and domestic subsidies, and market access restrictions. The "non trade concerns" are at the core of the EU position in the negotiations, which is the "defense of the multifunctional role of agriculture, the preservation of human, animal and plant life or health, the relationship between trade and environment, animal welfare, food safety and food quality, and other consumer concerns relevant to agriculture, which are of increasing relevance to the public and have an important place under EC lay, and therefore should be addressed in the negotiations as they are at the cross roads of other WTO Agreements, notably the SPS and TBT Agreements" (Communication of the Commission to the Council 1999: 7-8).

As far as consumer health is concerned, the Commission added in its communication to the Council that "each Member has the right to choose its own level of protection of consumer health and to apply the corresponding sanitary measures. WTO Members may resort to restrictive trade measures in order to ensure that level of protection, under the conditions laid down in the Agreement, provided such measures are based on international standards or sound scientific advice. Where the relevant scientific evidence is insufficient the Agreement explicitly allows Members to adopt provisional measures on the basis of the precautionary principle". In the Union's views, it is essential to ensure that liberalization in agricultural trade does not damage the ability of those employed in agriculture supply public goods, in particular as regards to the environment. Direct aid measures have an important role to play in this context. The government payments under the Green Box should be maintained.

The domestic subsidies in the Green Box are the key point of these negotiations. To bring agriculture into line with non-farm products under the GATT requires nothing less than a ban on farm export subsidies. With respect to domestic subsidies, gradual reform of policies of the US and EU, in particular the further de-coupling of farm income support measures from production as with America’s FAIR Act of 1996, may allow removal of the ‘Blue Box’ in the next round of talks. Efforts to tighten the ‘Green Box’ criteria could be made, so as to reduce the loopholes they provide for continuing output-increasing subsidies (Anderson & al. 1999: 10). The question for countries is to make more payment allowable under the Green Box which is not actionable.

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8 The ‘Blue Box’ comprises US and EU direct payments to farmers who restrict their output or at least some inputs. These were granted exemption from challenge under the Blair House agreement to move the UR talks forward.
The second key point of the EU position, which is consistent to its position in the Uruguay Round, is reduction of export subsidies must be treated on an equal footing by including other less transparent forms of export support (food aid, export credits and single desk buyers or exporters). Franz Fischler, the European farm Commissioner, noted that "export subsidization will certainly be a core issue in Geneva. When I say 'all forms', I mean all forms, not only the EU's export refunds, but also disciplines in export credits as well as other forms of export promotion like state trade enterprises or trading boards" (http://www.individual.com). The EU seeks to challenge its competitors' practices. The EU found some allies; among some developing countries who feared the loss of preferential access to EU markets as a result of MFN liberalization; and from countries that maintained comparably protective regimes for agriculture, such as Norway, Switzerland, Japan and Korea.

Once again, the EU finds itself in a difficult position, which is complicated further by the existence of one constraint: the enlargement process and previous commitments, the Agenda 2000. The Uruguay Round agreement imposed cuts in the main areas of the CAP (export subsidies, domestic support, market access), and put limits on the price support scheme. It obliged the EU to move towards a more expensive (for the tax-payer) system of direct income support for farmers. The question is how to accommodate the enlargement and the new round of agricultural talks. Also, in Agenda 2000 (Commission, 1997), the Commission proposes "deepening and extending the 1992 reform through further shifts from price support to direct payments, and developing a coherent rural policy to accompany this process".

The United States is seeking improved access for US exports under tariff-rate quotas (grains, maize, soybeans, beef, poultry and citrus), a prohibition of export subsidies, a limitation on domestic subsidies, and a strengthening of disciplines on the operation of state trading enterprises (Croome 1998: 10). Indeed, in some countries state-trading entities may have the exclusive right to import and/or to export so as to control the domestic supply and distribution of agricultural commodities (Ingco and Ng 1998). The efforts of the United States are supported by the Cairns Group of agricultural exporters, who contends that multifunctionality is not applicable to agriculture. If the objective is to protect the environment, better paying directly from subsidies devoted to this effect (Interview Geneva, October 1999). Agricultural subsidies is an inefficient way to pay for environment and animal welfare. The Cairns Group casts some doubt on the animal welfare policy in the EU, and disagrees on its inclusion in the trade agenda. The EU agricultural policy has produced bad effects, among which are export subsidies, which bring international
prices down and which induce farmers to produce the cheapest way to be able to get benefits. The cheapest way is not necessarily the most environmentally friendly. Thus, the best way to act for environmentally friendly agriculture is to eliminate subsidies.

The Cairns group has stated a maximalist position which call for total elimination and prohibition of all forms of export subsidies, deep cuts to all tariffs, tariff peaks and tariff escalation, removal of non-tariff barriers without exception, a substantial increase in trade volumes under tariff rate quotas, and elimination of all trade-distorting domestic subsidies. Green Box should be maintained but made more precise, and language clarified, while Blue Box should be reduced. Cairns members will also pursue closer regulation of export credits for agricultural products (Croome 1998: 14).

This clear-cut picture of the different interests in the Round is blurred by the existence of specific national aims at variance with the general stance of the country concerned: for example, the united States and Canada (a cairns Group member) seek to maintain their highly protective regimes for sugar and dairy products respectively (Croome 1998: 16).

**Agricultural Negotiations Within the New Round of Negotiations**

Economic negotiations are not one sole negotiation, but many multilateral agreements being negotiated separately, usually by separate persons (Landau forthcoming). In these diverse negotiations, there is more opportunity for problem-solving attitudes, and maximized numbers of trade-offs between negotiators and of linkages (Zartman 1986: 285). A broad span of issues arising in international economic negotiations provides chance for trade-offs between negotiators (Zartman 1986: 285). With an inclusive agenda, where all issues are discussed conjointly, the number of possible combinations or linkages - and hence the number of possible compromises or package deals - is maximized (Jönsson 1978: 38). As pointed out by Homans (1961): "The more the items at stake can be divided into goods valued more by one party than they cost to the first, the greater the chances of a successful outcome". Parties were thus able to trade differently valued items for mutual gains. As nicely put by Jönsson (1978: 38), “instead of joggling with one ball at the time, negotiators should keep all the balls in the air until the final combination is found”.

9 For example, in Canada tariffs on dairy products are 600 per cent, 1000 per cent in Japan for rice, meanwhile the average is 5 per cent for industrial products. Average tariffs to be brought down to what is industrial. Tariff escalation refers to graduation: tariff increase as you increase the value added.
The agenda of the Uruguay Round was articulated in specific and functional issues, which could be mutually productive for countries. Structure of issues provided additional chance for trade-offs between negotiating parties. Within one issue, different components facilitated negotiations. Services encompassed among others tourism, professional services, communication, education, health services, financial services, transport that could be negotiated separately by negotiators. To ensure some concessions on maritime transport services from developing countries, developed countries made counter-concessions in liberalization of unskilled personnel (Gibbs; Mashayeki 1991). Developing countries realized that negotiating on intellectual property or services could provide some trade-offs on more valued items.

It could be argued that farm policies would get more attention if the next Round's agenda were to be restricted to just agriculture and services. On the other hand, however, the probability of sizeable agricultural protection cuts may well be greater if negotiations include policies of other sectors—especially services—and some of the new issues on the WTO’s agenda. The reason is partly because this would ensure more non-agricultural groups take part in the round to counter-balance forces favoring agricultural (and other sectoral) protection. This happened during the Uruguay Round: the main shift within the EU came from Germany, which domestically faced the increased mobilization of industry and business to accept concessions in agriculture against gains in telecommunications and intellectual property. In 1991, the German government faced demonstrations from workers calling for the completion of the Uruguay Round. Also, many WTO members are unable to engage in market access exchange just with agricultural goods, as they have relatively little intra-sectoral trade in farm products. For these reasons, further agricultural liberalization depends on negotiating other sectors, including services.

If the next round is confined to just agriculture and services, it may be difficult to maximize numbers of trade-offs and linkages between issues. However, single issue such as agriculture and services has also internal articulations. Pascal Lamy (http://www.europa.eu.int/millenium round) suggested that agriculture should be negotiated under four main headings:

1) The question of whether any of the specific instruments provided in the Agreement itself need to be adapted.

2) Progress on the key trade issues, access, assistance to exports, and commitments to reduce support.

3) Non trade concerns, notably the multifunctional role of Agriculture, food safety and
quality, policies to protect the environment, and animal welfare.

(4) Special and differential treatment for developing countries.

This position is consistent with the one the EU adopted in the Uruguay Round. The United States wanted independent negotiations on each of the agricultural negotiations' components; while the EU wanted to negotiate them together to provide ground for trade-offs.

Environmental issues have been increasingly associated with agriculture. The complexity of the agenda will lead the parties to strike compromises based upon complex package deals interests and priorities which will be traded off against each other. This aspect of conduct is not peculiar to the trade negotiations, something very similar characterizes bargaining within the EU Council (Landau 1998). Agriculture’s contribution to the natural environment is mostly negative. Some claim that it is adding to biodiversity and the landscape. In Europe, some environmental and farmers groups claimed that farmers needed to be compensated for adopting less-environmentally damaging farming practices.

**Interest Groups and the Agricultural Negotiations: Overlapping interests**

The gap which characterized the positions of the main contenders in the agricultural negotiations is reflected in the positions of the main interest groups involved in the negotiations in the EU and in the United States and Canada.

There are a number of NGOs that have an interest in the agricultural negotiations at the European level: farming groups, food industry groups, consumer groups, environmental and rural development groups. Several agricultural and farmers' lobbies of the North have began to invoke the environment issue. Some genuine concerns for protection of the environment became mixed up with some pseudo- concerns that were aired for protecting the Northern farms and their heavily subsidized production. The table 1 summarizes the existing NGOs likely to impact on the negotiations.
Table 1: Organizations with an interest in the agricultural negotiations (transnational and selected countries*)

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<thead>
<tr>
<th>Category</th>
<th>Transnational</th>
<th>France</th>
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Source: Egdell and Thomson 1999; and various organizations.

*Acronyms: CIAA: Commission des industries agroalimentaires; BEUC (Bureau Européen des Unions des
Frank Pfetsch (1994: 131) has suggested the following hypothesis: the range of action that a government possesses in foreign policy is dependent on the domestic structure: the more a government in its foreign policy actions has to take into account, and the more the internal sociopolitical structure is segmented and fragmented and ideologically split, the more its foreign policy shows a low profile. Concerning agricultural negotiations, Henry Nau notes that they are "primarily a domestic political process". Farmers union from both sides of the sea, have been quite active in expressing their interests for the agricultural negotiations. Governments have to take into account articulated interest groups, and as a result their negotiating position shows a high profile.

There is a parallel position among farmers groups in the EU, although there exists some national specificity. Each country has its own political culture and structure. One factor has conditioned the European unification process: multi-layered internal cleavages (Pfetsch 1994: 132f): pro-market and free-traders (British and Dutch) versus protectionist (France), Transatlantic versus European, more or less environmentalists, more or less interest in third world countries. These cleavages are likely to impact on farmers Groups in the EU As noted by Egdell and Thomson, the UK environmental NGOs have an undoubted lead within their European organizations, and UK NGOs have succeeded in promoting fellow-thinkers from other Member States (Egdell and Thomson 1999: 128). UK environmental concerns are shared by the Dutch farmers groups, and they have jointly manifested concerns for Animal welfare. According to both the UK and Dutch farmers groups, animal welfare should be included in the WTO trade agenda. For COPA, the Agenda 2000 constitutes the essential element in defining the Commission's negotiating mandate. While focusing on the link between Agenda 2000 and the negotiations, the more free-trader and more budgetary-concerned NFU would have liked more progress in the Agenda 2000, which would have allowed more CAP support to have been reclassified as "Green Box" measures, making less crucial to defend the continuation of the Blue Box.
Most farmers groups at both the national and European levels (NFU (and its Community Branch the Bureau britannique de l'agriculture; Dutch Farmers Union; FNSEA, COPA) support the agriculture's "multifunctionality". European agriculture plays a number of complementary roles, commercial as well as social, rural and environmental. Scope for the support of multifunctional agriculture will have to be realized through the maintenance of a clearly-defined Green Box. They advocate the non-trade purpose of agriculture: protection of consumers, animal welfare and environment. These are best ensured by a labelling policy. TBT Agreement should be modified in the direction of stricter labeling requirements which require production processes and methods to be specified to consumers (NFU, FNSEA). NFU and COPA agree that the EU stricter standards for animal welfare impose additional cost on European producers which then render them uncompetitive on world markets. Animal welfare standards applied on a compulsory basis in the EU are stricter than those applied in many of its trading partners. Thus, environmental payments should be enlarged to include animal welfare measures.

Farmers groups challenge the practices of other agricultural producers, including the US fair Act under which some domestic support has equivalent effect as export subsidies. Negotiations on export subsidies should not be conducted in isolation, but in parallel with the discussion on domestic support. British, French and Dutch farmers groups (NFU and United Kingdom Food Group) call for a special and differential treatment for developing countries.

The overlapping issues which characterized the current negotiations render the negotiations more complicated. On some issues, there is a collusion between interest groups, whereas on some related issues, positions may diverge. Sanitary and Phytosanitary measures are overlapping with agriculture. Understandably, on the question of SPS, European consumer groups (European Bureau of Consumers Unions (BEUC) have joined Farmers Group to defend European standards. EU food safety, sanitary and phytosanitary standards and controls which ensure both the safety and confidence of EU consumers must be recognized internationally, and imports must be subject to equivalent standards and controls. Negotiations on SPS Agreement should clarify the use and scope of the precautionary principle (NFU and FNSEA). The use of the principle of precaution is also call for the main environmental organizations: Greenpeace and the Friends of the Earth launched a "stop genetic pollution campaign" (AFP 2000). Main European Farmers and Consumer groups agree that the "next round must take more account of consumer concerns and there must be stronger representation of the consumer interest in international bodies such as the WTO and CODEX Alimentarius" (BEUC 1999), and that greater clarity is needed to ensure that the interests of trade
do not prevail over non-trade concerns (DFU 1999). ORGALIME shares the same concern, The TBT should be strengthened as it is very important to the EU engineering industry (ORGALIME 1999)

NFU does not support calls for trade restrictions to be placed on GM foodstuffs. However, it supports the efforts being pursued by the EU to determine whether there are any environmental consequences form growing GM crops in Europe. Similar concerns are expressed by the BEUC (consumers groups). It calls for an good authorization system although it does not oppose the development and introduction of GM food and food ingredients; nor does it think that there is any inherent general risk to human health (BEUC 2000: 1). Consumer choice imposes stricter labeling regulations.

Canadian farmers group such as the Canadian Wheat Board (1999) or the Canadian Egg, Dairy and Poultry Farmers (CEDPF 1999) focus on eliminating export subsidies, working toward full de-coupling of domestic support, and also seeking a limit to domestic support. They denounced the EU and US practices: the US Export Enhancement Program (EEP) and the Loan Deficiency Program (LDP) and the EU intervention prices have resulted in higher prices than the world market, requiring the maintenance of export subsidies (http://cwb.ca). The CWB calls for rules to govern programs under the boxes in order to prevent the use of government funds for the direct purpose of market share expansion. According to the group, the EU has increased the Blue Box payment, while the US has increased its use of the Green Box. The core of the CWB is on SPS: both the CWB and the CEDPF call for the elimination of SPS which are not scientific-based in order to prevent disguised protectionist trade measures. GMOs: biotechnology trade issues and risk assessment must be dealt with on the basis of scientific fact; labeling of food products containing ingredients derived from plants of animals developed through biotechnology must be science base health criteria. Multilateral Environmental Agreements (MEAs) should not supersede the WTO10.

The same position on SPS is shared by the American Food Processors Association (NFPA). The science-based standard contained within the SPS is not negotiable. It lists the WTO disputes at various stages, which is a clear evidence that several WTO members are failing to live up to their obligations” (NFPA 1999: 3). The NFPA insists on linking agricultural issues in a comprehensive

10 Some countries would MEAs supersede WTO. Thus, there is a need to clarify WTO rules to prevent challenges to trade measures taken under MEAs. This issue is likely to come to the fore in the future with the increasing number of MEAs. The last to date is the Bio-Safety protocol adopted in 1999.
and balanced package in order to provide incentives for trade-offs. The elimination of export subsidies is called for but at the very end of the NFPA's program. Understandably, for the NFPA, the TRIPs agreement has also an impact on food industry, and negotiations should focus on patent protection for products of biotechnology.

Conclusion
Trade negotiations have become peopled with a vast array of groups. Issues, which were independently negotiated in the Uruguay Round are overlapping, and intertwine with agricultural issues, such as the SPS and TBT Agreements. As a result, this incremental regime is likely to impact upon the number of players and their patterns of influence.

Agricultural negotiations at the WTO will be more complex to manage as many groups scrutinize and express their interests. Not only farmers groups are participating, by lobbying the EU, national governments and increasingly the WTO, but also consumers, food industry, environmental groups are pushing forward their claims. The most stringent voices in the agricultural negotiations are originating from Europe and from the United States and Canada. Countries provide best opportunities for domestic interests to be heard. Interest were listened to in the Uruguay Round, they are listened to in these negotiations.

The picture of the interest groups in the negotiations is rather clear cut, although colorful. Voices are stringent; interests are vested; and positions are diametrically opposed. The core of the groups' programs depend on own political culture and structure of interests. The European groups emphasize on the "multifunctionality" of agriculture and on the strengthening of the SPS Agreement rules, and extended to include more items such as animal welfare. On the opposite, for the American and Canadian groups, the SPS Agreement's science-based standards is not negotiable. They claim free trade for GMOs. In the future, the SPS and TBT will fuel trade disputes in the WTO. Many have already involved the United States and the EU, but could potentially involve other countries. It remains true that how much and what type of scientific evidence remains unclear. Where the relevant scientific evidence is insufficient, the SPS Agreement allows Member to adopt provisional measures on the basis of the precautionary principle. Further disputes may arise in the future from the sensitive issue of genetically modified products.

Likewise the Uruguay Round, the EU finds itself in a delicate position, in accommodating previous and multiple commitments. The Enlargement process, the CAP reform and the agricultural
negotiations are part of a comprehensive package. The Commission has a negotiating mandate, but it is likely for the EU to adopt a wait-and-see position, and a crisis-response mode of decision, widely spread in the EU (Landau 1998).

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