

Is it not the most logical reason to have the '*Agri-Cultural exemption*' principle upheld in the WTO, the fact that producing our food is an essential constituent of our culture ?

AUDACE gives the floor to:

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## THE WTO "AGRI"-CULTURAL EXEMPTION<sup>i</sup>

The purpose of this article is not to criticize globalization per se. Our sole aim is to demonstrate that the agricultural sector with which we are so familiar is very different from any other and that, because of its specific characteristics, it is completely incompatible with global free trade and must therefore be subject to a special policy.

It has to be said that farming has undergone greater development over the last forty years than any other sector in Europe. This considerable evolution has come about as a result of the extraordinary advances in technology such as the mechanization of farm work. It is therefore not surprising that, in the early 1990s, certain leaders were led to believe that agriculture had become an industrial activity and should no longer be treated as a separate sector subject to a special policy. In their eyes, agricultural commodities had become raw materials like any other and could therefore be included in the GATT and then the WTO regulations.

It is thus that the CAP was reformed in 1992 to enable farming to be included in the GATT from 1993. It was around this time that we used

the expression “agri”-cultural exemption for the first time, since close links exist between culture and agriculture both here in France and in most other countries: we cultivate the earth as well as our minds. We therefore asked the WTO for an “agri”-cultural exemption in view of the fact that artists had been granted a cultural exemption.

**For numerous fundamental, health-related, economic and social reasons, farming cannot be subjected to free trade.**

### **The fundamental reasons:**

**In farming, many have forgotten, it is the earth which produces** and not a machine as in industry. In farming, we “cultivate life”, whereas industry is about transforming inert materials.

**This link to the earth, life’s matrix, gives rise to many special characteristics:**

- **No one country has a sufficient surface area to feed all the others**
- **Farming is dependent on soil and climate quality.** A multitude of different situations therefore exists which are **insurmountable sources of distortion of competition.** Harvests from the same plot will vary from one year to the next, while a machine can be programmed to produce more or less or at a constant rate almost anywhere in the world
- Farming also involves **conservationist activities to safeguard the environment** and maintain the **fertility of the soil, crucial to the life of future generations**
- Finally, agricultural production is exposed to numerous hazards: risk of natural **disasters** (storm, hail, drought, flooding, etc.), plant and animal **diseases, parasites, etc.**

### **The health-related reasons:**

We can manage without a camera for a month or two with no risk to our health. **It is not possible to manage without food for this length of time!** ... If a country's farming industry is destroyed, this puts the country in a position of dependence.

**It does not make sense for any nation to relinquish its sovereign responsibility for safeguarding its food supply, both in terms of quantity and quality.**

The Government cannot leave everything to the free market, which is as incapable of managing inventory as it is of regulating prices.

The agricultural policy therefore seems to be a balance, a kind of alliance between consumers and farmers.

If quality is to be safeguarded, it is vital for governments to regulate quality and therefore the distribution of food products (health problems - principle of precaution, etc.).

### The economic reasons:

- **The global market cannot be used as a reference** because it only concerns a tiny proportion of the trade in agricultural products (10 % overall, including 3 % of rice, 15-17 % of wheat, 7 % of milk, etc.). **It is not sufficient to feed nations**
- **The “global price” is purely virtual** because it is generally less than cost price to the producers who are all subsidized to a greater or lesser extent  
**It does not correspond to a market logic but to a dumping situation**
- **The free market for agricultural products does not in fact exist. To believe that subsidies can be levelled out or abandoned is pure pie in the sky**  
**In reality, all subsidies are a source of distortion of competition**
- **It is impossible to establish a “fair price”** between the **hundreds of millions of small producers** (whose production costs vary enormously) and a **handful of buyers** who are shrinking in number, who all know each other and who lay down their own laws (example: 4 global purchasers for cereals)
- **Global prices cannot therefore claim to have a universal nature**
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### So why this crazy policy?

There are three main reasons:

- The most obvious is: **“the freedom of the fox in the henhouse”**: The commercial world is making some lucrative short-term deals by playing on the enormous price differences between countries
- The 2nd reason is a result of **the difference which exists between our old world countries and the new countries of America and**

**Oceania** which are structurally exporters and want to open up the doors of other countries

- The 3rd, more perverse, reason derives from the fact **that, in farming, a slight surplus is sufficient to “slash” farm prices** (importing 5 % of the volume of a market in equilibrium is sufficient to create this surplus)

Another characteristic of the agricultural sector:

this market sanction is often sudden and sweeping in nature, **prices can be cut** in half. But, as we have noticed many times, and the statistics are there to prove it, **reductions in prices at the farm gate are seldom reflected in prices to the consumer. The intermediaries pocket the profit from the deal.**

**It is therefore particularly outrageous to see that this so-called free global market, which is completely incapable of supplying nations and establishing fair prices, is really no more than a breaker of real markets** (which are **regional**) for the benefit of the intermediaries between producers and consumers who are also the victims of this free-for-all.

### The social reasons:

#### **The globalization of farming is a planetary catastrophe**

In Europe, most farms are in crisis. France has lost half of its farmers over the last 10 years.

Many people are unaware that **almost half of the inhabitants of this earth are still farmers**. (2.5 billion in 1998 according to the FAO).

**Our agricultural policies which enable us to export at low prices are ruining small farmers in the Third World.**

**It is vital to understand that farming is the main global driving force behind development, employment and migration and is therefore an important key to global social equilibrium.**

The latest FAO report tells us that **800 million people still suffer from malnutrition (including 75 % of farmers! ...)** and that **25,000 people die of starvation each day !!!**

Wars are partly responsible for this terrible tragedy, of course, but most of the blame lies at the feet of agricultural globalization **which is ruining half of mankind**. As we all know, **poverty is also a breeding ground for war and terrorism**.

**25,000 deaths per day makes 9,125,000 deaths per year. This is a terrible crime against humanity, a disgrace to our Western societies.**

**To what level of catastrophes do we have to stoop before the globalist ideologists see the errors of their ways?**

**Are those responsible for our agricultural policies aware that they have become criminals on a very large scale? ...**

**A different type of global farming organization:**

There is therefore an **extremely urgent need to change this disastrous agricultural policy which is preventing “Third World countries” from developing.**

**We all have a right to eat our fill. Every farmer should be able to make a dignified living from his work by being able to sell at prices higher than his cost prices.**

It should be all the **easier to increase agricultural prices** (which would solve most of the problems) now that the price of agricultural raw materials has become so derisory compared with the cost of the food purchased by the consumer.

In order for farming to function properly, human politics should take precedence over economic policy and not the other way round.

We have seen how there is complete incompatibility between farming and free trade.

**There is therefore no other valid solution for this sector than a WTO “agri”-cultural exemption.**

Since 1993, the Coordination Rurale has envisaged the need to “create a global farming organization of all the nations” which should be established **under the aegis of the UNO and the FAO.**

**Its objectives could be to:**

- ❖ respect the sovereignty of governments in food-related matters and promote a fair and just trade
- ❖ enable farmers to make a dignified living from their work by selling their products at a price which is higher than their cost prices
- ❖ define fair minimum prices for certain products
- ❖ allow countries to protect themselves against imports at prices which are lower than their internal prices. Cross-border taxes will re-establish the true market. This is also the only means accessible to poor countries and is the only realistic way of fighting against hidden or unlawful subsidies, equal opportunities being pure pie in the sky

- ❖ plan agreements to regulate certain types of production, which may even extend to export quotas per country if necessary
- ❖ set up a joint system for managing food subsidies and inventory

The aim being to establish the **necessary commercial peace to achieve sustainable farming and development.**

### **Grounds for hope:**

The enormous damage caused by the current policies has become so obvious that more and more people are becoming aware of the need for change.

**International big business should understand that, by ruining farmers, it is depriving itself of half of the world's consumers...**

The emergence of latifundia and ex-Soviet kolkhozes robs us of any remaining hope of being competitive in a free market. The Europe-USA war is in the past. Agricultural peace between these 2 powers would be possible: all the USA would have to do (in view of the EU's enormous deficit in vegetable proteins and oil) is allow Europe to freely develop the oleaginous and proteaginous crops it needs, in exchange for which the EU would cease exporting cereals.

All that we need to do now is to convince the politicians that they must reclaim the power which they have relinquished to the transnationals. The stakes are enormous.

Hence the importance of distributing analyses such as this very widely.

**The WTO "agri"-cultural exemption must be accepted as an indispensable means for safeguarding our crops, our lands, our environment and for putting an end to the famine and under-development from which half of mankind is suffering.**

### **Le Monde**

27/07/03 (extrait)

La dernière négociation menée par M. Giscard d'Estaing a permis à la France d'obtenir le maintien de son droit de veto pour les questions touchant à l'audiovisuel et la culture, si elle estime que la diversité est remise en cause. Le présidium a évité d'autres renégociations.

Cela aura été le dernier vrai sujet de polémique à la Convention : l'exception culturelle, ou plus précisément la signature des accords commerciaux internationaux dans les services audiovisuels et culturels.

La France, qui entend protéger son cinéma et sa musique, réclamait depuis des mois le maintien de son droit de veto dans cette matière.

En juin, la représentante du gouvernement à la Convention, Pascale Andréani, avait expliqué que, sans cette concession, il n'y aurait pas de majorité en France pour ratifier la Constitution. Elle avait provoqué un tumulte désapprouvé dans l'Assemblée. Largement hostiles à l'unanimité, les conventionnels voyaient dans ces propos une rengaine française.

Mercredi 9 juillet dans la soirée, lors de son ultime réunion, le présidium de la Convention a trouvé un texte de compromis : "Le Conseil statue à l'unanimité pour la négociation et la conclusion d'accords dans le domaine du commerce des services culturels et audiovisuels lorsque cela risque de porter atteinte à la diversité culturelle et linguistique de l'Union." C'est la règle de la majorité qualifiée qui s'appliquera lors des négociations commerciales - ce qui satisfait pleinement le commissaire au commerce Pascal Lamy, dont les pouvoirs sont renforcés.

Mais la France pourra invoquer, lors de la définition du mandat de la Commission, un veto exceptionnel si la diversité est réellement menacée. A qui incombera la charge de la preuve ? Nul n'ose vraiment le prédire. "In fine, l'interprétation de cette phrase sera faite par la Cour de justice de Luxembourg", estime l'entourage de Valéry Giscard d'Estaing, le président de la Convention.

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Remarks gathered by AUDACE

This article is the summary of a 30-page brochure published in 1995 by the Coordination Rurale, the Union which represents French farming.

You can obtain it from the following address:

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"L'exception agri-culturelle" fait référence à La doctrine de "l'exception culturelle" qui repose sur le principe que les biens et les services culturels, du fait de leur relation à la culture sont d'une nature particulière qui va au-delà des seuls aspects commerciaux. Ils véhiculent des contenus, des valeurs et des modes de vie qui sont partie prenante de l'identité culturelle d'un pays et reflètent la diversité créatrice des individus. Or, durant la dernière étape des négociations du Cycle de l'Uruguay, certains pays ont considéré que l'application des principes du GATT - tout particulièrement le traitement national et la clause de la nation la plus favorisée – au commerce des biens et services culturels ainsi qu'aux droits d'auteur menaçait la prise en compte de la spécificité culturelle de ceux-ci en faveur de leurs aspects purement marchands.

De plus, la survie des industries culturelles – spécialement le cinéma et l'audiovisuel – peut dépendre uniquement de la restriction aux importations de produits similaires ou de subventions concédées par l'Etat à des industries nationales, en raison de leur caractère culturel. Soumises aux seules règles de caractère commercial comme n'importe quel autre secteur d'activités, elles seraient rapidement remplacées par d'autres productions fortement financées du fait de leur situation de monopole ou de leur implantation multinationale. C'est pourquoi certains négociateurs considéraient que des mesures d'action positive étaient nécessaires pour maintenir et développer une production nationale viable que puisse refléter les expressions culturelles locales et éviter une standardisation des goûts et des comportements sociaux.

A la fin des négociations, le différend s'est soldé par le choix d'une attitude commune de la part des pays défendant le même point de vue: celle de ne pas appliquer les règles de l'OMC, essentiellement à la circulation internationale du cinéma et de l'audiovisuel. L'exception culturelle n'a donc pas de statut juridique et elle n'est explicitement mentionnée dans aucun des accords.

Les conclusions du colloque d'experts sur *La culture : une marchandise pas comme les autres ?* (UNESCO, 1999), faisant suite à une recommandation du Plan d'action de la *Conférence intergouvernementale sur les politiques culturelles pour le développement* (Stockholm, 1998), ont fait apparaître qu'un certain terrain d'entente pouvait être trouvé dès lors que par ce terme "on entend que la culture n'est pas seulement de l'économie ou de l'économique".

S'il est vrai que la formule "exception culturelle" a été attribuée à la France, le principe d'une exception quand des intérêts nationaux sont en cause avait, quant à lui, déjà été invoqué par les Etats-Unis en vue de permettre leur accession au premier traité international sur la circulation des biens culturels, connu comme "[Accord de Florence](#)".

Source : UNESCO

Further reading:

L'Exception culturelle - SERGE REGOURD - PUF, coll. "Que sais-je ?", Paris, 2002, 127 pages.

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<sup>i</sup> France's commitment to the idea of 'l'Exception Culturelle', the GATT rule whereby, through import restrictions, cultural goods and services are exempted from the unrestricted commercialism of other types of "merchandise."