

Democratic Sweep in U.S. Congress and the Doha Round: Will agriculture be gridlocked?

By Alexandra Spieldoch

Many experts around the world have sought to predict the future of international trade after the collapse of talks at the WTO in July 2006. Even as governments have met in Geneva, Brazil, Australia and Vietnam, they are unable to overcome differences to salvage the Doha Agenda, launched in 2001.

Activists, government officials and journalists pinpointed the U.S. elections in November as a moment for a potential shift in this impasse that could steer the government in a new trading direction. The U.S. trade position at the WTO, particularly its agriculture proposal, has been under fire for not going far enough in reducing trade-distorting domestic support, for limiting special safeguards for developing countries and for its own aggressive agenda to increase market access in the Global South.

In November, the U.S. mid-term elections resulted in a major shift in the Congress. Most notably, the Democrats now control both the House of Representatives and the Senate, and are much more likely to challenge the U.S. Trade Representative. The result will have major implications for the Farm Bill in 2007, a potential renewal of Fast Track (Trade Promotion Authority) in July 2007 and the possible resumption of talks at the WTO. In each case, the new Democratic-led Congress will bring a new perspective, focused much less on furthering trade liberalization at all costs. For a number of reasons the elections signal a major blow to the Doha Agenda.

In terms of the Farm Bill, the new chair of the House of Representatives Agriculture Committee, Colin Peterson of Minnesota, has stated that “Doha is dead in the water – probably for the length of the next farm bill.” Peterson plans to move ahead with a vote on the Farm Bill in 2007 that resembles that of 2002, one that will lock in existing supports at the very least. Peterson says the Doha Round will not play a role in the writing of the Farm Bill. In terms of regional Free Trade Agreements, Peterson was one of the biggest fighters against the Central American Free Trade Agreement (CAFTA) while supporting sugar beet producers in Minnesota. With Peterson as chair of the House Agriculture Committee, he will be committed to protecting domestic programs for farmers and possibly expanding some programs.

The new Democratic chair of the Senate Agriculture Committee, Tom Harkin of Iowa, has also indicated that the WTO and Doha Agenda will not be a high priority, and he will focus much of his attention on expanding the Conservation

Security Program.

In general terms, challenging the Bush Administration's trade agenda was one of the top issues in a number of House and Senate seats. Democrats argued effectively that the Bush Administration had supported bad trade deals - agreements that have resulted in off-shoring jobs, and do not take into consideration labor or environmental standards. According to Public Citizen's Global Trade Watch, trade was one of the top issues in winning House seats in states that have traditionally supported a "free trade" agenda. These include Kansas, Missouri, Virginia and North Carolina.

Since the North American Free Trade Agreement (NAFTA) was instituted in 1993, Americans have been increasingly critical of the supposed gains of free trade. In the area of agriculture, the most contentious issue in global trade talks, the effects of the 1996 Farm Bill's deregulation of agricultural markets in support of the free trade agenda left states reeling from loss of farm income and related rural employment, while consolidation and growth of transnational agricultural corporations grew exponentially. As such, the split among the U.S. agribusiness groups, U.S. commodity groups and farmers relative to trade goals has never been bigger.

In this political climate, so-called fast track, barely approved in 2002, will be difficult to pass. Fast track is important for the Doha Round because it forces Congress to give an up or down vote on a final agreement, and eliminates the possibility of amendments. The Congressional Committees that oversee fast track are headed by Senator Max Baucus (Montana) and Charles Rangel (New York). Both have said they would only support a fast track in a much different form, and it is likely that issues around labor and the environment will be raised. And of course for political reasons, it is unlikely the Democrats would give President Bush such fast track authority to gain a major political victory so close to the 2008 Presidential elections.

Not surprisingly, high-level officials continue to try to jumpstart the WTO talks with bilateral visits and new ways to get around the failed approaches to date. Pascal Lamy, the Director-General of the WTO, visited the U.S. to meet with officials at the end of October to see about the potential to resume the Doha talks. The European Commission Vice President, Gunter Verheugen, recently flew to Washington as well and met with Susan Schwab, U.S. Commerce Secretary Carlos Gutierrez as well as U.S. Energy Secretary Samuel Bodman with the same agenda. EU Trade Commissioner, Peter Mandelson, stated on November 13, 2006 that "there is a brief window of opportunity" to revive the Doha talks after the U.S. elections and before a March 31 deadline to take advantage of Fast Track.

The U.S. elections have sent a message to the Bush administration that the market is not working for people in the U.S. Now it is time to get to work with alternative models for development in support of farmers, rural development and human rights. ■

Alexandra Spieldoch is the Director of the Trade and Global Governance Program at the Institute for Agriculture and Trade Policy