GLOBALIZATION AND WORLD TRADE ORGANIZATION (WTO)

Introduction
The International Agreement that would have its implication on federal governance with regard to the agricultural sector in Sudan. The International Agreement on Agriculture (AoA) forms an integral part of the multinational international trading system which is referred to as World Trade Organization or globalization. Agriculture sector in Sudan enjoys the rich agro-climatic and agro-ecological diversities and natural resources which make it of high potential for higher productivity and production. Currently, the sector is facing natural and structural constraints the alleviation or minimization of which could be at a very high cost. Sudan is a federal system and the decentralized structure of government has been Constituted emphasizing the existence of the ethnic, cultural, lingual and religious diversities. These diversities could be a source of conflicts and disputes between the federal government and the states in addressing issues of greater national importance like agriculture, the main source of livelihood to more than 70 per cent of the population and because of its significant role in the regional, economic and social development. Moreover, the federal system has been adopted in order to accommodate those diversities to ensure harmony, autonomy and co-operation between the federating units in working out solutions for the disputing issues. Since agriculture has been included into the framework of WTO in 1995 it would be affected by the scenarios of globalization/WTO and through the implementation of the Agreement on Agriculture which governs and regulates agricultural production and trade by certain rules and provisions which could be of economic and social impact both nation-wise and state-wise. Therefore, the objective of this study is to examine the existing and potential implications of the International Agreement on Agriculture for Sudan federal governance taking agriculture sector as a case study.
GLOBALIZATION AND WORLD TRADE ORGANIZATION (WTO)

Introduction

The International Agreement that would have its implication on federal governance with regard to the agricultural sector in Sudan. The International Agreement on Agriculture (AoA) forms an integral part of the multinational international trading system which is referred to as World Trade Organization or globalization. Agriculture sector in Sudan enjoys the rich agro-climatic and agro-ecological diversities and natural resources which make it of high potential for higher productivity and production. Currently, the sector is facing natural and structural constraints the alleviation or minimization of which could be at a very high cost. Sudan is a federal system and the decentralized structure of government has been Constituted emphasizing the existence of the ethnic, cultural, lingual and religious diversities. These diversities could be a source of conflicts and disputes between the federal government and the states in addressing issues of greater national importance like agriculture, the main source of livelihood to more than 70 per cent of the population and because of its significant role in the regional, economic and social development. Moreover, the federal system has been adopted in order to accommodate those diversities to ensure harmony, autonomy and co-operation between the federating units in working out solutions for the disputing issues. Since agriculture has been included into the framework of WTO in 1995 it would be affected by the scenarios of globalization/WTO and through the implementation of the Agreement on Agriculture which governs and regulates agricultural production and trade by certain rules and provisions which could be of economic and social impact both nation-wise and state-wise. Therefore, the objective of this study is to examine the existing and potential implications of the International Agreement on Agriculture for Sudan federal governance taking agriculture sector as a case study.
WTO or globalization, is not concerned only with the trade of commodities or services rather its functions extend to cover economic, social, cultural and political aspects of human life. The two terms, Globalization and World Trade Organization (WTO) in most cases refer to as a package of rules and principles governing international trade in an attempt to integrate national economies with global economy for the welfare of humankind on earth. Beside trade, the two terms have other economic, social, cultural and political dimensions which are essential attributes for the welfare of humankind. Recently, Good Governance has become an important notion for managing globalization and WTO properly and efficiently through redesigning the state institutions to get the right institution. In this connection, there is a major shift in role of government from one of doing to one of arranging, assisting and enabling the different sectors and agencies while pursuing their economic and social activities.

Historically, globalization is not a new phenomenon as the period from 1870 to 1913 had witnessed a rapid growth of the global economy and the free movement of goods, capital and labour across nations which resulted mainly in some of the largest demographic transition in the world and in progress towards international trade. This regime came to an end with disarray brought about by the World War I, which was followed by the big inflation and macro-economic turbulences of the 1920's in major European economies, and thereafter by the great economic depression in 1930's. The global capitalism advocated by Western Europe economies was seen as inherently unstable system, proved both by periods of volatility and inflation as in 1920 or by recessionary trends without self-correcting mechanisms that would assume full employment as it was patently demonstrated in 1930's. As a result, a new set of global financial institutions in the mid 1940's, known as Brettonwoods institutions, namely, the International Monetary Fund (IMF) and the World Bank (WB) came into being. The mandate of IMF is to assure a normal payments system, under a system of fixed exchange rates, and to provide external financing to countries with balance of payments deficits, whereas the World Bank mandate is to provide long-term financing for economic reconstruction and development.
From the above-cited events, the roots of globalisation can be traced to the Brettonwoods Conference in early 1944 after the economic devastation experienced by Western Europe in the Second World War; and to Havana Conference when the General Agreement on Tariffs and Trade (GATT) came into existence in 1947.

From late 1940's to the early 1970's, a period of considerable economic stability, rapid growth and prosperity was witnessed. The period was called the "golden age" of capitalism and was based on globally and nationally regulated market economy (UNCTAD Vol. III, 1992).

The current phase of globalisation under GATT system started in the beginning of 1970's in response to several changes in the international economic environment. These changes include the international inflationary situation resulted from the breakdown of the exchange rate system due to the expanded public expenditures in the United States of America, following the Vietnam War in early 1970's. The other two important pertinent events are: (a) the aftermath of oil crisis in 1970's which changed the whole regime of international capital flows as surpluses from oil money were looking for vents of deploying as loans or investments; (b) the debt crisis of some Latin American countries in 1980's, as a consequence of their adoption of the Structural Adjustment Programme (SAP) prescribed by IMF.

Although, the two terms of Globalization and WTO have many in common and governed by international agreements and are used very often alternatively bearing the same meaning, yet the two terms would be referred to separately in this study to give deeper understanding to the dimensions and emphasis of each and their perceived implications on national economies (agriculture sector in particular) and consequently on centre – state relation in a federal system of government.

2.1 Globalization

Recently, globalization has emerged as a very common term amongst: academics, policy makers, businessmen and development practitioners and in common parlance. But there is no consensus on its meaning and theorization. Broadly, the term is used
to describe the global process of change taking place in the world over the last two decades. Concerted efforts have been made to introduce certain set of reforms to promote globalization, particularly after the cessation of the cold war in the early 1990s. After the cessation of the cold war, Western capitalist governments have identified a cluster of policy prescriptions, which according to them constitutes a model for good economic and political management. This cluster is usually referred to as “Washington Consensus” by economists and good governance from the perspective of politics. The consensus included the following ten broad sets of recommendations:

- Fiscal policy discipline;
- Redirection of public spending from subsidies (“especially indiscriminate subsidies”) toward broad-based provision of key pro-growth, pro-poor services like primary education, primary health care and infrastructure investment;
- Tax reform – broadening the tax base and adopting moderate marginal tax rates;
- Interest rates that are market determined and positive (but moderate) in real terms;
- Competitive exchange rates;
- Trade liberalization – liberalization of imports, with particular emphasis on elimination of quantitative restrictions (licensing, etc.); any trade protection to be provided by low and relatively uniform tariffs;
- Liberalisation of inward foreign direct investment;
- Privatization of state enterprises;
- Deregulation – abolition of regulations that impede market entry or restrict competition, except for those justified on safety, environmental and consumer protection grounds, and prudent oversight of financial institutions; and
- Legal security for property rights.

“Archer 1994” it is this model which has been operational in most developing countries in recent years under the fiscal stabilization and structural adjustment programmes of the World Bank (WB) and the International Monetary Fund (IMF). Some scholars refer to two generations of reforms introduced in the third world
countries under World Bank and International Monetary Fund in the recent decades. The first generation reforms aimed at liberalizing the economy (i.e. getting prices right) and the second generation reforms meant for redesigning the state and its institutions “getting institutions right” referring to political and institutional reform under the name of Good Governance.

Based on above cited background, an attempt has been made by the author to provide an overview of globalization and WTO and their different facets as well as the notion of Good Governance.

Globalization: Meaning and Perspectives

The meaning of globalization available in the vast literature on the subject can be broadly categorized as referring to (a) a process of increasing interdependence and integration, (b) the contemporary global capitalism including a normative or political prescription/ ideology; (c) a myth, not reality; and (d) an abstract concept. It is observed that those viewing globalization as a process also differ in their understanding. As a process, globalization is regarded as one dimensional, two dimensional and multi dimensional in nature. Most commonly, globalization is conceptualized as one dimensional process of economic integration/ interdependence that has been occurring on a very rapid pace in the present. In this sense, Harris defines it as an economic process that emphasises the increasing internationalization of the production, distribution and marketing of goods and services (Streeten 2001: 167).\(^{10}\) The two dimensionality of the process covers economic integration facilitated by new technology. In this context, Thomas Friedman\(^{11}\) defines globalization as “that loose combination of free trade agreement, the internet and the integration of financial markets that is erasing borders and uniting the world into a single lucrative, but broadly competitive market place. While taking it as multidimensional process, Streeten States that “Globalization is transforming trade, finance, employment

---


migration, technology, communications, the environment, social systems, ways of living, cultures and patterns of governance”. Globalization is viewed by the World Bank and United Nations Development Programme (UNDP) as “the growing integration of economies and societies around the world and it is a complex process that affects many aspects of our lives” (World Bank 2002:IX, UNDP 1999:7). In this context, it is held that globalization is a process integrating not just the economy but culture, technology and governance. People everywhere are becoming connected and affected by events in every corner of the world. It is further viewed as a normative prescription/ideology affirming that it is the only possible road to the full liberalization and integration of world markets and it is seen by the United Nations (2002-18) as the inevitable and desirable fate of all human kind.

But other scholars greatly differ in the understanding of globalization. Hirst and Thompson hold that globalization is a myth not reality. They assert “globalization is a myth suitable for a world without illusions, but it is also one that robs us of hope.” (cited in “Streeten 2001 : 170”) According to them, the label of global village has been uncritically adopted like slogan where one should remember the fact that over one half of humanity has not made even a phone call and around two billion people in the world are still living below poverty line. Lubbers hold that globalization is an abstract concept as it does not refer to a concrete object, but to an interpretation of a societal process. In addition to Bridsall pointed out that there are different types of orientations reflected in the interpretations of globalization. These are cheerleaders, cynics and worried doubters. Bridsall (2003)\textsuperscript{12}

Martinelli (2003)\textsuperscript{13} places the growing literature on globalization conceptually along three main axes which can be put under two broad categories: advocates and opponents of globalization. His categorization is as follows:


\textsuperscript{13} Martinelli, Alberto (2003) 'Global Order or Divided World' Current Sociology, 51(2) March
a) Hyperglobalisers versus sceptics where the key distinction between the two positions refers to the degree of novelty of globalization and its impact on nations states.

b) Neo-liberals Vs Neo-Marxists and radicals where the key points of difference is the balance between positive and negative impact of globalization and it is truly global or western hegemonic character.

c) Homogenisations Vs heterogeneity/hybridization where the focus is on the cultural dimension of globalization.

Broadly speaking, it can be said that hyperglobalisers are the advocates of globalization with a neo-liberal ideology/prescription and focus is on its homogenizing nature. The sceptics are mainly the neo-Marxists and radicals who focus on the negative aspects of globalization. Beside, these two main stands, some scholars in recent years have taken a different view and are known as "transformationalists like Baylis and Smith (2005:20)"^14

According to the forgoing categorization, three perspectives on globalization can be identified: hyperglobalist, sceptical and transformationalist.

a. Hyperglobalisers draw their ideas from the neo-liberal gurus like Milton Friedman. Friedman (1962)^15 emphasizes on individual freedom both economic and political – he affirms an intimate connection between economic and political freedom. In his view, private enterprise and market constitutes the bedrock of freedom and growth and the market operates on the principle of freedom of exchange and benefits all consumers, sellers, the employee and the employers and does this impersonally and without centralized authority. He affirms that market provides diversity and scope for choice and thus, provides economic freedom, which enables the individual to assert political freedom.

---


^15 Friedman, Milton (1962), Capitalism and Freedom, Chicago, The University of Chicago Press
However, he recognizes the need of government as an essential forum to determine the “rules of the game” and to interpret and enforce the rules. In general terms, Hyperglobalisers conceptualise globalization mainly as an economic phenomenon through which business activities have supplanted. The power of nation/state implies that it is the business rather than the nation/states which have emerged as the primary economic and political units of world society. It is held that people are getting increasingly integrated into the global market place and economies are being increasingly de-nationalised due to the formation of transnational networks of trade, finance and production. Fukuyama (1992)\textsuperscript{16} affirms that there would no more be deep conflicts or ideological divisions in the world, as the new world order interdependence based on economic liberty and democratization would create both wealth and solidarity.

b. Sceptics, critics view the neo-liberal version of globalization as a prescription/ideology and not a reality. They don’t consider globalization as either beneficial to all or being irreversible. There are two main arguments made here. First, the growing interconnections across border had occurred in the past 1870-1913 and the future would be much like the past. Sceptics argue about the increasing inequalities and dominance by the strong economic actors. There is a fear of the world ruled by profit seeking global corporations. Economic interdependence is said to make countries more vulnerable to the destructive consequences of market shifts. The social fabric/ties also get strained as the winners in the global game become detached from losers. Thus, Sceptics or Critics viewed it the whole process is loopsided, it is repressive, exploitive and harmful to most people in most countries. For them globalization is a false dawn (Gray in Lechner and Boli 2004)\textsuperscript{17}.

\begin{flushright}\footnotesize
\end{flushright}

\begin{flushright}\footnotesize
\end{flushright}
There is a loss of sovereignty and autonomous power of nation states. Market forces are getting more powerful than the states (Strange 1996). National governments are torn between the need to foster economic competitiveness and that of enhancing social cohesion (Martinelli 2003).

c. The transformationalist view represents another perspective that differs from the understanding of both the advocates and opponents of globalization. It is argued that both the hyperglobalisers and skeptics exaggerate their arguments. For transformationalist, it is held that global interconnection and interdependence will forge new links and dilute some existing ones. Relationships among nations and people are getting reconfigured and power relationship restructures – but it is argued that the end point of globalization is not yet clear. For the supporters of this perspective globalization refers to all those processes that involve bringing the people of the world into a single society in which humanity emerges for the first time as a “collective actor” (M. Albrow 1990). In this connection globalization can be defined as “those values that take the real world of six billion people as the object of concern, the whole earth as the physical environment, every one living as world citizens, consumers and producers, with a common interest in collective action to solve global problems. United Nations publication (2002:20) talks about both the economic and non-economic dimensions of globalization. One of the non-economic dimensions include ethical and cultural aspects which BCLAC terms as the ‘globalization of values’ and refers to the gradual spread of shared ethical principles as manifested in declarations on human rights. Covering two main issues a) civil and political rights, b) economic, social and cultural rights. The “globalization of values” is increasingly manifested in the aspirations and formation of a ‘global civil society’ its capacity for mobilization and exchange of information

---

has multiplied by the new information and communications technologies.

Scholars like Giddens (1999) argue that globalization is not merely or even primarily about economic interdependence – it is rather about transformation of time and space in our lives. Distant events, economic or non-economic, affect us most directly and immediately than ever before. Also decisions taken by individuals are often global in their implications. He adds “globalization, in sum, is a complex range of processes, driven by a mixture of political and economic influences, creating new transnational systems and forces”. Taken as a whole globalization is transforming the institutions of the societies in which we live (Giddens, 1999). Further, they argue that global economy is reshaping the existing division of labour between the centre and periphery countries and between the North and The South in the world. It is replacing the existing relations with more complex patterns of hierarchy of inequality which has winners and loser both among and within countries and with new facit transnational class affiliations. Kellner (2003: 96) sees globalization as having negative and positive consequences and also both homogenizing and hybridizing impact plus emergency of identity based defences.

In fact, transformationalists seem to take middle positions on globalization as they viewed it as a multifaceted process with multiple causes like economic, technological, cultural and political. But this perspective does not stress on global integration; rather it focuses on the emergence webs and networks that intensify the relations between national and international actors. Therefore, globalization is seemed as leading to an “unbundling of relationships” between sovereignty, territoriality and state power. They are critical about globalization as it involves basic restructuring of the nation state. Moreover, globalization reinforces old patterns of inequality recasting the traditional patterns of inclusion and exclusion. However, significant opportunities for empowerment of individuals, communities and social groups also exist – it is accepted that global corporations have a homogenizing impact on life styles and consumption

---


37
patterns. Increasing hybridization of cultural traits and the staunch defence of specific identities are also observed. Moreover, it is affirmed that globalization brings about a variety of adjustment strategies by national policies that require a rather active state—not the neoliberal minimum government but the developmental or catalytic state (Martinelli 2003). As a result of globalization, there is not so much of demise of the sovereign state, but a globalization of politics.

In conclusion, it can be argued that globalization is a highly contentious concept. On the one hand, it is viewed as a real process of rapidly increasing integration and interdependence across countries and people in the world. At the same time it is regarded as a normative prescription, a myth. Similarly, there are widely diverging interpretation of globalization. On the one hand, there are strong advocates professing neo-liberal perspective, pushing forward economic/financial integration through private sector, market-led development which is most efficient and dependable, yielding more benefits than loss to all, particularly in the long-run. The counter argument put forward by the bitter critics/sceptics holding Neo-Marxist persuasion which view globalization as a new phase of western imperialism, global capitalism that would adversely affect particularly the weaker nation, states and people. At the threshold of the new millennium, globalization is now widely accepted as development paradigm. It leads global transformation through technological change and integration of third world countries with developed countries for global prosperity. Rapid developments in information and communication technologies will not only accelerate the pace of knowledge based growth but will unify markets and people cutting across barriers of space and time.

Since 1995, there have been four Ministerial level Conferences, which are the WTO's highest decision-making body. The first was in Singapore in 1996, the second in Geneva in 1998, the third in Seattle in December 1999 and the fourth in Doha in 2001. The third Ministerial Conference in Seattle 1999, failed due to strong disagreements over the negotiating agenda between the United States and the European Union (EU) and anger among developing countries.
2.2 Good Governance Reforms

As mentioned earlier, there are two generations of reforms introduced in the developing countries by the World Bank and International Monetary Fund in the recent decade. The first generation reforms aimed at liberalizing the economy and the second generation reforms meant for redesigning the State institutions “getting institution right” referring to political and institutional reform under the name of good governance. Good Governance has become an important notion for managing globalization and WTO properly and efficiently and to yield their promised benefits to all actors namely; producers, consumers and facilitators. Therefore, a brief account is given here of the notion of good governance and its working.

In the literal sense, governance refers to the act and manner of governing. It refers to the framework of rules, institutions and established practices that set limits and give incentives for the behaviour of individuals, organizations and firms.

Good Governance Reforms were first introduced in the West under Ronald Reagan, the President of United States and Margaret Thatcher, the Prime Minister of United Kingdom in late 1970s to deal with the economic crisis in the countries concerned. Gradually, the reform regimes spread to other developed countries as well. The reforms have been introduced in the developing countries under the aegis of the World Bank and the International Monetary Fund (IMF). The reforms moved forcefully in the shape of fiscal stabilization and Structural Adjustment Programme (SAP) in the context of the serious Balance of Payments (BoP) crisis encountered by developing Countries.

It is observed that the term governance has gradually replaced the term public administration in both disciplinary and common parlance in the current era of globalization. The replacement can be considered as a shift in the context of increasing concern with economic reforms and associated administrative reforms. The understanding here is that good governance leads to better development outcomes as shown in some studies commissioned by the World Bank and United Nations.
Kufimann and Kray (2003)\(^2\) affirms that the quality of governance and per capita income have a strong positive correlation across countries. The new governance paradigm is said to mark the greatest political revolution. It symbolizes a new approach to solving public problem for the current era of this party government. This involves sharing of public authority with a host of government and non-governmental sector in a complex collaborative system. There are a wide variety of third parties such as private sector, commercial banks, social service agencies which are closely involved in implementation/management of public's business. Here there is a major shift in the role of government from one of doing to one of arranging and assisting and the focus is on forgoing and managing collaboration among different sectors/agencies and enablement rather than hierarchy and control (Salamon, 2002)\(^2\).

The intellectual origin of the current good governance approach is traced to the neo-liberal theory that treats conservative governments and organized business interest in unison. It is considered a product of two strands of thinking that originally appeared in Thatcherism and Reganism in the world since late 1970s. One line of argument relates to efficiency and accountability. It affirms that the state faced a crisis of governmentality because of the overloaded tasks and demands from civil society which had a state-centric view. Second the state suffered from legitimacy as it was not able to perform. The first argument is linked with the broader neo-liberal thinking that involved re-establishing the notion that the market is an institution that makes available resources and skills with proficiency, while the interventionalist state is blasted for stifling the self-regulating propensity of the market. It is welfarism that weakened the economy and hence it needed to roll back from many areas. Further, "pluralist" theories of governance assumed that the distinct institutions pursue overlapping goals, even if they follow important institutions of government. The state is held as just one and not necessarily the more important institution of governance. The role of the government is regarded as contextual as well as contingent theories of civil society consider the domain of social associations as more important than the


state for the citizen. So what has emerged as a concept and practices of good governance involves the decentring and pluralisation of the state into a number of levels that stretch horizontally from civil society and market organizations, on the one hand and vertically from transnational to local self government institutions, on the other hand (Chandhoke, 2003). This model emerged as a response to the crisis of the welfare state in advanced capitalist countries. This model has been extended to the countries, specially of Asia and Africa through the conditions attached to financial loan/aid, policy prescriptions and new notions of development. This model is said to be a wider project that was to restructure the economy, the policy and society in the last two decades of the 20th century.

Under the new model of governance, a collaboration between state and market interests is advocated. This is currently and enthusiastically promoted by the trinity of the World Bank, International Monetary Fund (IMF), and World Trade Organization (WTO), good governance is meant to complement SAP by political reforms to ensure greater accountability, transparency and efficiency in public service along with the protection of civil and human rights and maintaining rule of law through an independent judiciary (Oommen, 2004). In this context Governance is conceived as encapsulating government as well as non-governmental agencies to meet the needs and aspirations of the citizens. The civil society is made co-responsible with the state for promoting citizen welfare. Thus the relationship between state and civil society is recast from the earlier confrontational orientation into a collaborative mode. It is suggested that good governance should be viewed as a conjoined efforts of the citizen, the market and civil society.

Currently, in the context of the developing countries, the concept of good governance has a wider meaning which amounts to replacing the concept of government itself. The new concept is embodied in the paradigm of liberalization. It involves laying explicit emphasis on the dominance of individual over collective concerns. The state

---

government is required to reduce its scope and nature and provide more space to the market that operates on the basis of economic efficiency. State intervention is viewed as causing distortion in allocative decision-making and thus creating inefficiencies. So governance reforms regime curtailing state intervention and ensuring at the same time a change in the quality of intervention in the desired sector. In essence, the role of government, public administration is redefined. Its main task in the globalization/liberalization framework is to facilitate decision-making in the market (Mathur: 2003:53)24. Kothari (1995)25 considers the current reforms as a response of the ruling circles round the world “both domestic and international” to the challenge of globalization.

2.3 World Trade Organization (WTO)

World Trade Organization (WTO) be defined as a multilateral trading system encompassing a package of principles and rules aiming at integrating national economies with the economies of the rest of the world. Such integration is perceived to be rooted through increased volume of goods, services, capital, technology, information and ideas across national boundaries for the welfare of humanity in the globe.

WTO as a multilateral trading system, has become fully operative with the implementation of the General Agreement on Tariffs and Trade Treaty of 1995 in Marrakesh, Morocco as a result of prolonged seven-year GATT negotiations, the so-called Uruguay Round. WTO has been created to replace GATT and to overcome major shortcomings under the GATT system by introducing a stronger and more comprehensive liberal trade regime. It is worth mentioning that, WTO has significantly enlarged the scope of the multilateral trading systems by expanding the trade agenda to include nearly all areas. New areas not previously covered by GATT system namely, agricultural products, textiles and clothing, intellectual property rights


42
(Trips), trade-related investment measures and services have become subject of multilateral negotiations and rules. Similarly, the Trade-Related Investment Measures (TRIMs) have been included in WTO system. WTO also, brings a greater specificity to anti-dumping measures and more restrictions have been laid on subsidies that have been widely used to promote exports and protect infant industries on the ground that they distort free trade. WTO will also clarify and strengthen the multilateral rules regarding other non-tariff measures including technical barriers, rules of origin and safeguards. The most significant aspect under WTO is the creation of a strengthened dispute settlement mechanism which has the status of international organisation, a thing which was lacking under GATT.

Status-wise, the WTO is defined as "the legal and institutional foundation of the multilateral trading systems" as a forum for negotiations and the settlement of disputes with its headquarters in Geneva. It functions through three main bodies namely, Dispute Settlement Body; Trade Policy Review Body; and the Appeal Body. DSB receives the complaints from member countries of violations of WTO Rules and agreements and rules whether the Rules have been broken through panels of independent experts. The Appeal Body hears appeals against panel findings and its ruling will be passed back to DSB which takes a consensus decision to adopt them. The TPRB is a forum for the membership to review, praise or criticize, each other's policies. Major trading powers are reviewed every two years and others every four years.

With regard to decision-making process, WTO is a driven-member organisation and all decisions on any subject have to be taken by consensus. In principle, voting can take place but it requires consensus to allow it. The WTO Secretariat is an administrative and research structure without being involved on policy decision-making which is the role vested on the ministerial conference, the highest decision-making body which meets, on average, once a month. Since 1995, and by 2002, the
membership of WTO stands at 168 countries by 2008. The organisational structure of WTO\textsuperscript{26} is outlined in the diagram below.

Diagram 1

Organisational Structure of WTO

\textbf{WTO}

\begin{itemize}
  \item Ministerial Conference \textsuperscript{a}
  \item General Council
  \item Dispute Settlement Council
  \item Trade Policy Review Body \textsuperscript{b}
\end{itemize}

- Council for Trade in Goods
- Council for Trade in Services
- Council for TRIPS
- Committee on Trade and Development
- Committee on Balance of Payments Restriction
- Committee on Budget, Finance & Administration
- Committee on Environment
- Committee on Trade in Financial Services

1. Committee on Agriculture
2. Textile Monitoring Body
3. Committee on Technical Barriers to Trade
4. Committee on TRIMs
5. Committee on Anti-Dumping Practices
6. Committee on Custom Valuation
7. Committee on Rules of Origin
8. Committee on Subsidies and Countervailing Measures
9. Committee on Safeguards

\textsuperscript{a} The Ministerial Conference and all other bodies except the Textile Monitoring Body consist of the entire membership of the WTO. The membership of some of these bodies is by self selection. The Textile Monitoring Body consists of its Chairperson and 10 other members of WTO.

\textsuperscript{b} The General Council meets as the Dispute Settlement and the Trade Policy Review Body.

The present phase of WTO system involves two distinct processes\textsuperscript{27}. First, is the process of dismantling barriers in the movement of goods, services and capital. The tariff barriers have to be sizeably reduced and made uniform while non-tariff barriers

\textsuperscript{26} From Website of World Trade Organization, http://www.wto.org

\textsuperscript{27} Pratyush Nilotpal, India and WTO, A study of the impact on Indian Economy, Cipra Books, Delhi, 2000, page 9
are to be completely phased out within time-bound programmes. It is assumed that by dismantling barriers, WTO will maximise efficiency in the allocation of factors of production at the global level which have been distorted by various protectionist barriers, and thereby increases the income. Likewise, the dismantling of barriers will provide individual actors, including the states, with greater opportunities for acquiring wealth and exposure to a variety of investment choices, which would lead to intensification of worldwide economic competition and thereby raises the income levels world-wide. The third assumption underlying free trade is that the multilateral trade system will also lead to the intensification of economic inter-dependence between economic actors, including the states, which would lead to economic growth and welfare.

The second distinct process of globalisation relates to the universal propagation and enforcement of a particular model of development across countries. The model of development propagates one ideology that is liberalism, one life style, that is individualism and consumerism, and one economic style – capitalism. This model of development is envisaged by Western capitalist countries and has been acknowledged as the model of development to be pursued by developing countries as it ensures economic growth spurred by global free trade and investment; otherwise there is not much future for the poor and developing countries. Thus, WTO is a multi-dimensional system in which, economic, political, social and cultural relations intensify across boundaries. Moreover, the WTO system reflects a quantitative shift towards a global economic system based on a consolidated market place in production, distribution and consumption. In this respect, the global economy becomes more autonomous and its powers to control and dominate over national economies increases, which might lead to the erosion of states control over its economy and society. It is also argued that, the power to control and dominate over national economies will be vested in the unrestricted multinational companies (MNCs) the world over, as they possess capital, technology and information which are considered as engines of economic growth, modernization and global integration under international competition. The two distinct processes imply explicitly that WTO is a multi-dimensional system in
which economic, social and cultural relations will intensify across boundaries, providing an access to a wide variety of consumption goods, new technology and knowledge, ideas and international practices. In nutshell, WTO can be described as potential benefits (or costs) derived from broadening the set of choices open to the participants of the global economy.

The membership of WTO has its implications on eligible member countries. Each country, in order to become qualified as a full member of WTO has to undertake domestic economic and institutional reforms aimed at gradually integrating its economy with global economy. The reduction in Government's intervention in the production and marketing of commodities and services, the increase in the private sector's role and the free interplay of demand and supply are considered to be the main guiding principles of the economic reforms. Thus, the reforms must include price liberalisation, market reforms and privatization of economic public enterprises, with the objective of eliminating the factors that distorted world prices of commodities, services and labour like import protectionism measures (tariff and quota system) and price and input subsidies. The package of the economic reforms also necessitate the undertaking of structural adjustment programmes for solving the problems of balance of payments by restricting the fiscal deficits, controlling money supply and inflation and by promoting exports with the assistance of the International Monetary Fund (IMF). It became evident that solving the problems of balance of payments alone is not sufficient and therefore it must be complemented by launching a long-term development programme for augmenting production capacities in tradeable sectors and infrastructure to increase output, and promote exports to achieve steadily increased economic growth for the prosperity of the nation with the assistance of the World Bank under its long-term assistance programme. The institutional reforms suggest the privatisation of public economic enterprises, considerable reduction in numbers of civil servants, commercialisation of social services in line with the costs-recovery system and provision of good governance to ensure transparency and the rules of law in economic transaction.
Since 1995, most developing countries have become members of WTO and agreed to abide by the discipline of non-discriminatory trade liberalisation. For the purpose of this work, it is worth mentioning that agriculture for the first time in the history has brought into the framework of the world trading system. Likewise are the Trade Related Intellectual Property Rights (TRIPs), Sanitary and Phytosanitary measures, environment and child labour, and anti-dumping as well as safeguard measures.

2.4 Accession To WTO

Article XII of the Marrakesh Agreement establishing the WTO provides that a state or separate customs territory may accede to the WTO on terms to be agreed between it and the WTO members.

Since the establishment of the World Trade Organization (WTO) in 1995, most of the countries that were not original members have applied for accession or at least indicated their interest in doing so in the future. For some countries, WTO membership would enable them to avoid discrimination in key export sectors and to acquire rights to defend their interests in a multilateral framework. For other countries, particularly smaller countries, they seek immediate benefits by enjoying preferential treatment and look forward for their long-term strategic interests. Some other countries consider that WTO membership will improve their credentials in efforts to attract the necessary investment for diversifying their production base and expanding their supply capacity. Membership can also be viewed as the consolidation of recently achieved democratic rule and their transition to a market economy.

In general, the acceding countries realize that it is in their interest to participate effectively in the management of globalization so as to guarantee that its speed, nature and direction are comparable with their development, economic and financial needs. The only way for them to influence the decisions that will effect the course of globalization is through active participation in the institutions where global economic decision-making takes place. WTO membership permit every country to be an actor,

---

\(^{28}\) WTO Accession and Development Policies by UNCTAD, New York, United Nations, 2001
in the forum that takes the decisions on key issues affecting international trade, and to
design their development strategies in a more predictable and stable trading
environment. The process of accession to the WTO has become more difficult than
that of the accession to the GATT 1947 for several reasons: (a) First is the wider and
more intrusive nature of WTO obligations: the trade regime must be in conformity
with all the Multilateral Trade Agreements (MTAs), commitments on tariff binding,
agriculture support as well as trade in services. (b) The second reason stems from the
modification of the WTO rules that permits a member country to use the possibility of
non-application of WTO agreement to an acceding country as a negotiating level in
order to obtain concessions from this country in the 'bilateral tracks'.

The accession negotiations are being carried out against the background of imbalance
in the WTO rights and obligations themselves. For example, developed countries that
continue to subsidize their production and export of agricultural products are asking
accending countries to commit themselves for subsidy reduction. In some cases
demands for commitments have even gone beyond the scope of the WTO agreement.
Acceding countries have been asked to accept commitments with respect to
privatization and economic reform, elimination of price and profit controls and
binding of export duties. In some cases, acceding countries are being pressed to bind
trade elements of structural adjustment programmes agreed to with IMF, World Bank,
although some of the practices discouraged under such programmes are perfectly
legitimate under the WTO Agreements such as in the case of subsidies. This
contradiction should be addressed by the relevant WTO Ministerial decisions in order
to achieve greater coherence in the global economic policy-making. Similarly,
developing countries argue that the provisions of Special and Differential Treatment
(S&D) are inadequate specially those regarding the transitional periods. It has proven
very difficult for acceding countries to benefit at least from such provisions. This
approach subjects some member countries to a set of obligations and commitments
that they may be unable to implement.

At the domestic level, the government of the acceding country, may be seen as
granting substantial concessions, without gaining any immediate tangible additional
benefits in return. The private sector of the acceding countries, fearing overwhelming foreign competition has often expressed a strong opposition to WTO membership. Such resistance tends to wave when there is an understanding by and involvement of all national actors in the accession countries to maintain certain protection of sensitive sectors in accordance with WTO rules. The tariff concessions negotiated as the 'entry free' for accession also counted as its contribution to the outcome of the multilateral round. The acceding LDC's face the apparent reluctance of some WTO members to automatically extend to them the S&D provisions specially provided for original LDCs in the WTO Agreements. This implies that acceding member countries must negotiate with WTO members to benefit from such provisions on a case-by-case basis. Moreover many developing countries in the GATT 1947, was much easier because it occurred de-facto. Many acceding countries share certain similar problems such as:
(a) Inadequate technical knowledge and understanding of the WTO Agreements and their implications for the economy and development;
(b) lack of adequate negotiating strategies based on national development, financial and trade needs;
(c) lack of human and financial resources;
(d) lack of analytical tools needed to prepare for negotiations; and
(e) insufficient data and information. On the other hand, countries have different perception of the expected gains from globalization based on their individual interests, situations and experiences. This diversity should be fully respected in the international decision-making process. Quiet often leaders of eligible countries pose the same question: What were the potential benefits fro their countries of integration into the multilateral trading system? How would their accession to the WTO affect their development? Why did some WTO members demand from them a very high price for entry?

UNCTAD has been advocating for clear and objective rules and disciplines from accession negotiations with a view to ensuring that the accession process in not excessively costly for LDCs and that the accession terms reflect their levels of development and more importantly their ability to meet their obligations. The LDC’s submitted a proposal to the general council of the WTO on procedures for their accession to the WTO. This followed a positive initiative by the European Union in
March 1999 calling for acceleration of the WTO accession process. In particular, the proposal called for “fast-track” accession procedure for LDC’s with automatic granting of S&D provisions in the WTO agreements, simple across-the-board bindings of tariffs as certain levels, exemption from reduction commitments on domestic support and export subsidies in agriculture and undertaking of commitments in at least three service sectors.

2.5 Awareness on WTO in Sudan and India

In order to understand the implications of the AoA of WTO on the agriculture sector as well as the centre state relations in a federal set up, a total number of 200 questionnaires were distributed among different stakeholders in Sudan and India (100 each in both country). Out of these 200 persons, only 31 and 17 persons responded to the questionnaires. Because of the small size, it is rather difficult to draw any conclusion or make any generalization on the basis of situational analysis. Yet the outcomes are significant and give some perspectives about the AoA and its implications.

India and Sudan have been chosen for understanding the implication of AoA because both are rich in natural resources and with similar agro-climate and agro-ecological diversities and the two countries are true representatives of sub-tropical agriculture. Agriculture contributes significantly to the GDP of the two countries and it is still a source of livelihood to more than 60 per cent of their population. While Sudan is acceding WTO, Indian agriculture has comparatively long experience in liberalization of agriculture since 1994 under GATT and WTO. Due to the foresaid facts, agriculture is believed to be an issue of great importance to stakeholders in the agricultural sectors and consequently their views on AoA of WTO are supposed to be fairly established.

The survey was conducted by administering structured questionnaire scheduled among different stakeholders on agriculture in Sudan and India with the following objectives:-
1. to know the level of awareness among different stakeholders on the new rules of AOA of WTO and the their views on its possible implications

2. to know the role of the government in the context of AOA

3. to understand better about the existing infrastructure affecting the agricultural production and a host of allied issues concerning the development of agriculture in the changed and new scenario.

The finding of the survey (country wise) is given below:-

Sudan

A survey was conducted by administrating schedule questionnaire among different categories of people involved in the field of agriculture in Sudan. The respondents included the senior officials of the Ministry of Agriculture and Forestry, Agriculture Development Fund(ADF), Commission for WTO Affairs(CWA), representative of International Fund for Agricultural Development(IFAD) in Sudan and potential farmers. Their distribution pattern is given below:-

1. Senior officials of the Ministry: 09
2. Officials of ADF: 02
3. CWA: 03
4. IFAD Officials: 01
5. Potential Farmers: 02

Among the respondents, majority of them are either not aware of the new rules of AOA of WTO or partly aware, where as only seven are aware of the new rules. Out of the seven, three are from the CWA and rest four from the Ministry of Agriculture. While four of the respondents from the Ministry are partly aware of the new rules on the AOA of WTO, one of the officials of the Ministry is not exposed to the new rules of AOA of WTO. Interestingly, the study indicates that none of the officials of the Agriculture Development Fund are exposed to it. When this is the situation of the people who are very much concerned with the designing of the policy and programmes related to the country’s agriculture, the farmers are totally unaware of the new rules of AOA in agriculture.
Those who are aware of the new rules of AOA of WTO are of the opinion that the new promises or opportunities likely to be created include i. access to new technology, ii. Improvement in the production quality, iii. farmers can export directly, and there would be an international network of production. Such positive opinion about the AOA largely comes from the officials involved in the Commission of WTO Affairs in Sudan. However, the other government officials hold a different view and they see more problems or challenges rather than opportunities. They feel that there would be a stiff competition for the market and in the process the developed country would be in an advantage position and they would dump the agricultural goods in the developing countries. This may adversely affect the socio-economic conditions of the small and marginal farmers in the rural areas. They are also of the opinion that the situation may lead to low productivity as there is the fear of losing subsidy. Some of the respondents apprehend growing problems between the traders and the farmers in the absence of poor farmers organization. The poor infrastructure in most of the developing countries would also contribute adversely in the production and marketing of local produce.

With regard to the question on the subsidy in the developed country, impact on the export and production of Sudan, majority (11 out of 17) of the respondents are of the opinion that it would adversely affect their country, whereas only one respondent of the opinion that it would not affect adversely. The remaining five did not answer the question. There exist differences of opinion on the issue of the reduction of tariff on agricultural commodities. While five of the respondents including the three officials of CWA are of the opinion that it will not affect the livelihood of the farmers due to the reduction of tariff on agricultural commodities, seven respondents believe that such a situation would definitely affect the economic conditions of the farmers. Five respondents did not answer to the question.

Though majority of the respondents (11) believe that Sanitary and Phytosanitary Measures (SPS) would improve the quality of food and availability of safe food in the country, only one is of the opinion that SPS would not affect agricultural growth.
Five respondents did not answer to this question. It means majority of the respondents believe that SPS clauses would affect agricultural growth of the country.

While listing the potential dangers from imports of agricultural commodities from outside, the respondents recorded the view that it might affect the livelihood of the farmers if they failed to maintain the standards. In the process, there is a possibility of decline in the agricultural practices in the country and the country would depend more for other developed countries for its food security.

The response on the impact of AOA of WTO is given below-

i. On Agricultural growth: Adversely affect (05), Positive growth (3), Not answered: (09)

ii. On employment situation: Adverse impact(07),Positive impact(1),Not answered: (09)

iii. Rural Poverty: Adverse impact(06), Positive impact(02), Not Answered(09)

iv. On Inequality: Negative(07),Positive: (01), Not answered: (09)

v. Resource Conservation: Negative(03),Positive: (05), Not answered: (09)

vi. impact on the livelihood of the landless farmers Negative(04),Positive: (03), Not answered: (10)

vii. impact on the livelihood of the fishermen: Negative(04),Positive: (04), Not answered: (09)

viii. impact on the livelihood of the dairy farmers: Negative(04),Positive: (04). Not answered: (09)

ix. impact on the livelihood of the tribal farmers, forest dwellers and other indigenous groups: Negative(01),Positive: (0), Not answered: (16)

x. impact on the livelihood of rural women: Negative(06),Positive: (02), Not answered: (09)

xi. Impact on the centre sate relations: Negative(06),Positive: (02), Not answered: (09)

There should be a centre-sate consultation on matter related to AOA of Agriculture before the signing of the agreement. Sudan is yet to be a signatory of the agreement.
and the process is going on for quite some time. Yet, no consultation is taken place between the central government and different state government so far. Since the agreement is not yet signed, its impact, either positive or negative, at this point of time on the socio-economic conditions of the farmers is yet to be felt in Sudan. At present, the relationship of the central government with the state governments in Sudan is good.

Majority of the respondents are of the opinion that the government has so far not taken adequate steps to create awareness among the farmers about the opportunities and challenges of globalization. They also feel the absence of adequate infrastructure and institutions in the country to enable the farmers take the benefits of globalization.

With relation to the land tenure system in the country, the respondents present a divergent view. While half of the respondents are of the view that the land tenure system/land policy of the government encourages private investment in agriculture, the others give a negative response to this questionnaire. However, they by and large agree to the fact that private investment remained unchanged so far as the country is yet to signed the agreement.

Though there are divergent opinion on AOA of WTO and its implications in the agriculture sector in the country, there is some short of agreement on the issue of efforts taken by the government agencies to achieve equitable and balanced development. They all spoke about the long and short term strategies of the government to address the problems. While the short term strategies include support services, subsidies or concession in the agriculture sector, the long term strategies include construction of roads and other infrastructure in different parts of the country. However, many of the respondents are of the opinion that the initiatives taken by the government are far from near requirements and more emphasize should be given on the development of infrastructure in the country.

Natural resource management is one of the key aspects of sustainable development and many of the developing countries are emphasizing on this crucial aspect of development at all levels. Sudan is not an exception and efforts are being made by the government on the sustainable use of land, water and forest resources. The policies of
the government on these three natural resources have taken a formal shape over the years. The 5 years programme (2007-11) is attaching lot of importance on the sustainable use of these resources. The government has already established the land commission, started the process of natural water policy and efforts are being taken to extent the greenery areas by creating more forest.

The respondents provide a long list of agricultural produces, which have the potential for export growth. They can be broadly categories into five groups, viz:- Vegetables, Cereals, Oil seeds, Livestock and other commercial produces.

On the issue of measures taken by the government to support the farmers to face the challenges of globalization, five specific questions were asked and the response in the tabular form is given below:

Table - 1

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
<th>Not Answered</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Increase in Export Subsidy</td>
<td>3</td>
<td>5</td>
<td>09</td>
</tr>
<tr>
<td>2. Increase in R&amp;D Support</td>
<td>4</td>
<td>-</td>
<td>13</td>
</tr>
<tr>
<td>3. Increase subsidy for food security</td>
<td>6</td>
<td>2</td>
<td>09</td>
</tr>
<tr>
<td>4. Awareness building about SPS, Food Security, etc.</td>
<td>6</td>
<td>2</td>
<td>09</td>
</tr>
</tbody>
</table>

While most of the respondents did not dive any suggestions/comments to resolve the dispute centre sand states on matter related to WTO, few of them gave the following recommendations:-

1. Implementation of integrated rural development programmes
2. More dialogue/coordination between centre and states
3. Organizing seminar and workshop on matter related to WTO
4. Good Governance

55
Similarly, the enquiry on the role of civil society is not responded by majority of the respondents. Only a very few responded to this question. While one of the respondents is of the opinion that the civil society group has limited role to play, another respondent mentioned that the civil society can play a crucial role by creating awareness among the producers on the possible implications of the AOA of WTO. It is also suggested by one of the respondents that the civil society groups can play the role of a facilitator by creating network among the different stakeholders like Chambers of Agriculture and Animal Producers, other agricultural unions, etc.

India

A survey was conducted by administrating schedule questionnaire among different categories of people involved in the field of agriculture in the Punjab state of India. The respondents included state government official of the Department of Agriculture (1), academicians (5) and farmers affiliated to a club (24) and people representative(1).

Among the respondents, nearly half of them (15) are aware of the new rules of AOA of WTO. Another twelve (11) are partly aware of it and only 5 are stated to be unaware. The frequency distribution of the awareness on the new rules of AOA of WTO is given below:

<table>
<thead>
<tr>
<th>Total Number of Respondent</th>
<th>Aware of the new Rules of AOA of WTO</th>
<th>Partly Aware of the new Rules of AOA of WTO</th>
<th>Not Aware of the new Rules of AOA of WTO</th>
</tr>
</thead>
<tbody>
<tr>
<td>31(100)</td>
<td>15(49%)</td>
<td>11(35%)</td>
<td>5(16%)</td>
</tr>
</tbody>
</table>

While the responded, who are aware of the new rules of AOA of WTO or those who are partly aware represent all four categories of the respondents. However, who are unaware of the new rules belong to only one category, i.e. farmers. However, one point needs special attention here that the farmers who are unaware of the rules are all members of farmers club of Punjab State Agriculture University. If this is the awareness level of the elite group of farmers exposed to all kinds of development in agricultural field, the situation of the farmers in the remote areas can very well judged.
Those who are fully/partly aware of the new rules of AOA of WTO are of the opinion that the new promises or opportunities likely to be created i. access to new technology, ii. Improvement in the production quality, iii. farmers can export directly, iv. People will become quality concerned; iv. there would be an international network of production. They see more problems or challenges rather than opportunities. It is interesting to note here that the majority of partly aware respondents (10 out of 12) did not mention the new promises or opportunities created by AOA of WTO. However, some of this category of respondents visualize some form of problem areas having challenges. They feel that there would be a stiff competition for the market and in the process, the developed country would be in an advantage position and they would dump the agriculture goods in the developing countries. This may adversely affect the socio-economic conditions of the small and marginal farmers in the rural areas. They are also of the opinion that the situation may lead to low productivity as there is the fear of losing subsidy exists very much under the AOA of WTO. The poor infrastructure in most of the developing countries would also contribute adversely in the production and marketing of local produces. Such apprehensions are also mentioned by other respondents across different categories of respondents.

With regard to the question on the subsidy in the developed country impact on the export and production of India, all most all the respondents are of the opinion that it would adversely affect their country. However, only one respondent holds a different view that it would not affect adversely. Similarly, there is near unanimity on the issue of the reduction of tariff on agricultural commodities would encourage import from abroad. While 28 respondent (90%) are of the opinion that it would affect the domestic prices and livelihood security of the farmers of the country, only three are of the opinion that it will not affect the livelihood of the farmers.

Though the majority of the respondents (17 out of 31 amounting to 57%) believe that Sanitary and Phytosanitary Measures (SPS) will not affect the agricultural growth in Punjab and India, only ten respondents are of the opinion that it will affect the growth. The remaining four respondents, who are not aware of the rules of AOA did not respond to this question. While seventy seven percent (77%)of the respondents (24
out of 31) believe that the SPS measures would improve the quality of food and availability of safe food in the country, only two respondents gave negative response. The other respondents did not answer to this question. It means majority of the respondents believe that SPS clauses would affect the agricultural growth of the country.

While listing the potential dangers from imports of agricultural commodities from outside, the respondents recorded the view that it might affect the livelihood of the farmers, if they failed to maintain the standards. In addition to the above, there would be problems of unemployment, decrease in the minimum support price, besides the problem related to the seeds. They also apprehended high cost of production and in the process, the volume of agriculture produces may decline. Moreover, many of the respondents believe that the Indian farmers could not compete with the imported agricultural commodities.

The response on the impact of AOA of WTO is given below-

i. On Agricultural growth: Adversely affect (05), Positive growth (21), Not answered: (05)

ii. On employment situation: Adverse impact(22),Positive impact(03), Not answered: (04)

iii. On Rural Poverty: Adverse impact(17), Positive impact(11), Not Answered(03)

iv. On Inequality: Negative(11), Positive: (17), Not answered: (03)

v. On Resource Conservation: Negative(06), Positive: (21), Not answered: (04)

vi. On impact on the livelihood of the landless farmers Negative(25), Positive: (0), Not answered: (06)

vii. On impact on the livelihood of the fishermen: Negative(26), Positive: (0), Not answered: (05)

viii. On impact on the livelihood of the, dairy farmers: Negative(17), Positive: (10), Not answered: (04)

ix. On impact on the livelihood of the tribal farmers, forest dwellers and other indigenous groups: Negative(09), Positive: (0), Not answered: (22)
x. On impact on the livelihood of rural women: Negative(16), Positive: (11), Not answered: (04)

xi. On Impact on the centre state relations: Negative(17), Positive: (04), Not answered: (08)

Many of the respondents are of the opinion that the Central government has not consulted the state machineries on matter related to the AOA of WTO. A total number of 15 respondents gave a negative comment on centre consultation with the state; 2 respondents are not sure about the consultation. Only 11 respondents mentioned that the state governments were consulted. However, four out of these eleven are not aware of the new rules of AOA of WTO. The above analysis makes the point clear that the state/provincial governments were not consulted/not being consulted on matter related to AOA of WTO. There is no pattern emerging from the response to the questions related to the deterioration of the socio-economic conditions of the farmers after AOA and the positive side of it. The question on factors led to improvement is not answered by the respondents.

The opinion about the centre-state relations also differs widely. While eighteen (18) respondents say that the relationship is good, three are of the opinion that it is very cordial. However, a total number of ten respondents called the relation as that of strained or non-operative.

Majority of the respondents are of the opinion that the government has so far not taken adequate steps or very little to create awareness among the farmers about the opportunities and challenges of globalization. Only two respondents mentioned about the training programme/seminar organized by the state agencies. They also feel the absence of adequate infrastructure and institutions in the state of Punjab/country to enable the farmers take the benefits of globalization.

With relation to the land tenure system in the country vis-à-vis encouragement for the private investment in agriculture, the majority of the respondents (22) hold the view that it will not. Only eight are of the opinion that the land tenure in the state is helping private investment in agriculture. However, they agree to the fact that private
investment in agriculture sector has increased after AOA. A total number of 23 respondents are of the opinion that it has increased; five are of the view that it has declined and according to two respondents, it has remained unchanged.

Though there are divergent opinions on AOA of WTO and its implications in the agriculture sector in the country, there is some degree of agreement on the issue of efforts taken by the government agencies to achieve equitable and balanced development. A total number of 23 respondents are of the opinion that no steps/efforts have been made by the government to achieve equitable and balanced development, whereas two of them did not answer to this question. One of the respondents has mentioned that the government has initiated watershed and area development programmes to achieve equitable and balanced development. The other initiatives listed by the respondents include distribution of good quality seeds, providing marketing facilities and exposing the farmers to international networking.

In relation to the steps taken by the government to improve sustainable use of natural resources like land, water and forest resources, many of the respondents feel that much of the initiatives are confined to the files only and no concrete works are reflected in the field. Some also feel that very little has been done by the government on this head. However, some of the respondents feel that the government has taken both short and long-term steps for the sustainable use of natural resources. Creating awareness on sustainable use of natural resources among the masses is one of the great initiatives of the government, which has got long-term impact.

The respondents provide a long list of agricultural produces, which have the potential for export growth. They can be broadly categories into seven groups, viz.: Vegetables, Cereals, Spices, produces of medicinal plants and herbs, fruits, Oil seeds and other commercial produces.
On the issue of measures taken by the government to support the farmers to face the challenges of globalization, five specific questions were asked and the response in the tabular form is given below:

Table - 3

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
<th>Not Answered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in production subsidy</td>
<td>3</td>
<td>28</td>
<td>-</td>
</tr>
<tr>
<td>2. Increase in Export Subsidy</td>
<td>14</td>
<td>17</td>
<td>-</td>
</tr>
<tr>
<td>3. Increase in R&amp;D Support</td>
<td>6</td>
<td>24</td>
<td>1</td>
</tr>
<tr>
<td>4. Increase subsidy for food security</td>
<td>11</td>
<td>19</td>
<td>1</td>
</tr>
<tr>
<td>5. Awareness building about SPS, Food Security, etc.</td>
<td>17</td>
<td>13</td>
<td>1</td>
</tr>
</tbody>
</table>

While most of the respondents did not dive any suggestions/comments to resolve the dispute centre sand states on matter related to WTO, few of them gave the following recommendations:-

a. Short term and long term Agriculture Policy
b. Institutional Mechanism
c. More dialogue/coordination between centre and states, agricultural scientist/experts, farmers and government officials

Similarly, the enquiry on the role of civil society is not responded by majority of the respondents. Only a very few responded to this question. Four respondents are of the opinion that the civil society groups have got a major role to play in creating awareness about the various provisions/rules and the possible outcome of the AOA of WTO. They should act as the link between the people and the agricultural producers. The role of the civil society should be constructive and people oriented.
Globalization and WTO

In recent years, globalization has emerged as a very popular term amongst academics, policy makers, businessmen, development practitioners and in common parlance. But there is no consensus on its meaning and theorization. Broadly, the term is used to describe the global processes of change taking place in the world over the last two decades. Concerted attempts have been made to introduce certain sets of reforms to promote globalization. It may be noted at the outset that with the cessation of the Cold War, Western industrialized capitalist governments have identified a cluster of policy prescriptions which, according to them, constitutes a model for good economic and political management. This is usually referred to as 'Washington Consensus' by economists and 'good governance' when approached from the perspective of politics (Archer 1994:7). It is this model which has been operational in most developing countries in recent years especially under the fiscal stabilization and structural adjustment programme (SAP) of the World Bank (WB) and the International Monetary Fund (IMF).

Some scholars refer to two generation of reforms introduced in the third world countries under the aegis of the WB and IMF in the recent decades – the first generation reforms aimed at liberalizing the economy (i.e. getting prices right) and the second generation reforms meant for redesigning the state and its institutions (i.e getting institutions right – referring to political and institutional reforms). However, the second generation reform complements the first. As K. Singh (2005: 106) affirmed 'Promotion of good governance has become an integral part of the emergent global economic order'.

An attempt is made to provide an overview of the main arguments put forward and against globalization in the context of its ideological, economic and social dimension and how it influences human life in the globe. Until now, there are different types of orientations reflected in the interpretation of globalization. There are cheerful leaders, cynics and worried doubters. Bridesall (2003), Martinelli (2003) placed the growing
literature on globalization conceptually along three main axes and identified three main categories whose debates and arguments overwhelm. The three main categories are: The hypoglobalizers with a neo-liberal ideology; the skeptics the neo-marxists and radicals; and the transformationalists who take a middle stand. The three categories would be dealt with briefly as follows:

Hypoglobalizers are the main World Economic Forum i.e. the World Bank, International Monetary Fund (IMF), World Trade Organization (WTO), and Multi-national Companies as well as Scholars such as Friedman, Miton, Jagdish Bahgwaiti (2004) and others. They advocate conceptual globalization with a neo-liberal, prescription which emphasises on individual freedom both economic and political. They affirm that the market provides diversity and scope for choice, thus provides economic freedom which enables the individual to assert political freedom. According to them, the role of government is seen as an essential forum to determine the “rules of the game” and to interpret and reinforce the rules. With regard to the integration of economies hyperglobalizers hail the achievement of globalization in terms of recommended reform package and seeks faster implementation of the remaining issues on the reform. They argue that opening up to the international trade has helped many countries to grow far more quickly than they would otherwise have done. East Asia was cited as an example where the export-led growth strategy was the centerpiece of development policies that enriched much of Asia and left millions of people far better off. Because of globalization, they affirm that life expectancy of many people in the world has increased and their standards of living are far better. Moreover, globalization has reduced the sense of isolation felt in many developing countries and has given many people access to knowledge well beyond the reach of even the wealthiest in any country a century ago. Therefore, they emphasized that without economic growth, spurred by global free trade, there is no much future for the poor and developing countries. In addition, they attributed the depressed and destabilized world prices specially for agricultural commodities, to the protectionist measures and inward — looking strategies adopted by almost all countries around the
world, preventing producers from utilizing the viable investment opportunities and from realizing the benefits of their competitiveness.

The camp had been advocating for the last half of the 20\textsuperscript{th} century that meaningful solutions to the problems of mass poverty can be found only in the framework of a rapid expanding economy and that the reduction of poverty, could only be tackled after a certain level of GDP is reached. In this respect they argued that the greater inequality in distribution of resources and income resulting from the adoption of economic growth strategy is inevitable, but necessary pre-conditions for rapid economic growth. The other argument the camp is advocating is that the adoption of stabilization and structural adjustment programmes of the IMF and the World Bank, although in the short-run it would hurt the poor, small producers and the paid labour, would help third world countries immensely in recovering fiscal deficits, balance of trades, in augmenting the production capacities of tradeable sectors and in developing infrastructure leading to an expanding economy integrated in global market. With regard to scarcity of natural resources and their physical limits, it is believed that globalization will make it possible to develop and invest in resources expanding technologies in agriculture and in other areas which would reduce the factors of food security, pollution and environment as long-constraints to economic growth.

There is a strong belief among hypoglobaliser that people are getting increasingly integrated into the global market place and economies are being increasingly denationalised due to the formation of transnational networks of trade, finance and production. Fukuyama (1992) affirms that there would be no more deep conflict or ideological divisions in the world as the new world order and interdependence based on economic liberty and democratization would create both wealth and solidarity.

Sceptics/critics who represent a multitude of hard core opponents and protestors who have deep seated antipathy to globalization. They come from different intellectual and ideological directions and do not all share the same ideas and sentiment. But many buy into a linked trilogy of this context that take the form successively of an ethos composed of anti-capitalist anti-globalization, and acute anti-corporation mind-set.
Among them are the radicals, neo-marxists, civil societies, international forum on globalization and street protestors of Seattle, November 1991. They view the new liberal version of globalization as a prescription/ideology not a reality and the whole process is lopsided, suppressive and harmful to most people in most countries. For them globalization is a dawn (Grey and Boli) and there is a loss of sovereignty and loss of autonomous power of nation states. Market forces are getting more powerful than the States (Strange 1990). National governments are torn between the need to foster economic competitiveness and that of enhancing social cohesion. Sceptics/critics hold a strong opinion that the economic growth strategy and the “trickle-down” effect of growth and the economic order of the first half of the 20th century and globalization the new economic order are two faces of the same coin. The experience of the developing countries with growth “trickle-down process” of growth over at least 50 years was disappointing as it did not produce the perceived desirable economic and social changes. Instead, it resulted in greater economic and social inequality between developing and the developed countries. The group argues that the net wealth of the ten richest billionaires is about US$ 130 billion which is more than 1.5 times the total national income of the least developed countries which accommodate 57 percent of the world population. According to UNDP Human Development Report 1992, 20 per cent of the people in the world wealthiest countries receive 82.7 per cent of the world’s income and only 1.4 per cent of the world’s income goes to the 20 per cent live in the world’s poorest countries. More surprisingly is that today’s world spends about $592 billion on junk food and US$ 60 billion on cosmetics whereas 800 million people, the overwhelming majority in the third world do not get enough food and about 500 million people are chronically malnourished. Beside the huge amount of money spent on junk food and cosmetics, alleviation of poverty in the world cost around US$ 80 billion and the effective debt relief to the 20 per cent countries would cost only 5.5. Because of this gross imbalance of wealth and power. The camp argues that there is not much to be expected from globalization and the situation might even get worse when the very sovereignty of government controls and regulations in favour of poor and vulnerable societies is threatened.
The opponents of globalization are of the view that, there are many who are still devoid of their basic needs and their existence is in danger. It is a fact that vast majority of people in Asia, Africa and Latin America are still not part of globalization. David C. Korten (2001:10,11) argues that tens of thousands of people are living extremely well and hundreds of thousands are enjoying higher levels of consumption than ever before. But behind the façade billions face an ever more desperate struggle for survival. The displaced and landless, lacking other options, move into marginal, environmentally unstable lands to eke out a living as they can often at a great human and environmental costs while others move into squalid urban squatter settlements, pushing wages down and rents up. Moreover, air is thick with pollutants and cultures grounded in strong spiritual, family and community values give way to materialism and violence. He added that fewer and fewer people believe that they have a secure economic future, as family and economic units over the globe are disintegrating. Even in the world’s affluent countries, high levels of unemployment, corporate downsizing, falling real wages, greater dependence on part-time and temporary jobs without benefits, and the weakening of unions are creating a growing sense of economic insecurity and shrinking the middle class. Likewise, small-scale producers - farmers and artisans - who once were the backbone of poor but stable communities are being uprooted and transformed into landless migrant labourers, separated from family and place. Hundreds of thousands of young children, many without families, make lives for themselves begging, stealing, scavenging, selling sex and doing odd jobs on the streets of cities in Asia, Africa and Latin America. There are an estimated 500,000 child prostitutes in Thailand, Sri Lanka, and the Philippines alone. Millions migrate from their homes and families in search of opportunity and a means of survival. In addition to the 25 to 30 million people working outside their own countries as legal migrants, an estimated 20 to 40 million are undocumented migrant workers, economic refugees without legal rights and with little access to basic services. Some, especially women are confined and subjected to outrageous forms of sexual, physical and psychological abuse. In his critics David Korten ((2001:28,29 & 30) argues that the

world is increasingly divided between those who enjoy opulent affluence and those who live in dehumanizing poverty, servitude and economic insecurity. While top corporate managers, investment bankers, financial speculators, athletes and celebrities bring down multimillion-dollar annual incomes, approximately 1.2 billion of the world’s people struggle desperately to live on less than $1 a day. On his comments on environment, he pointed out that the deeper reality is one of the growing ecological crisis. The ever-present threat of nuclear holocaust has been replaced by the threat of increasing exposure to potentially deadly ultraviolet rays as the protective ozone layer thins. The younger generation worries whether they may be turned into environmental refugees by climatic changes that threaten to melt the polar ice caps, flood vast coastal areas and turn fertile agricultural areas into deserts.

Joseph E. Stiglitz (2002:6)\textsuperscript{10} stated that globalization has not succeeded in reducing poverty and in ensuring stability. Crisis in Asia and Latin America have threatened the economies and the stability of the developing countries. There are fears of financial contagion spreading around the world, that the collapse of one emerging market currency will mean that others fall as well. Stiglitz also accuses the Western countries of hypocrisy. They have pushed poor countries to eliminate trade barriers, but kept up their own barriers, preventing developing countries from exporting their agricultural products and so depriving them of desperately needed export income. Likewise more advanced countries continue to subsidize agriculture making it difficult for developing countries to compete, while insisting that developing countries eliminate or substantial if reduce their subsidies on industrial goods. Stiglitz (2002:5) also stated that there is growing divide between the haves and the have-nots which has left increasing numbers in the developing world in the dire poverty, living on less than a dollar a day. Despite repeating promises of poverty reduction made over the last decade of the 20\textsuperscript{th} century, the actual number of people living in poverty has actually increased by almost 100 million. In Africa the continent plunged deeper into misery, as incomes fell and standards of living declined.


67
Manoj Sinha highlights that globalization is no longer a theoretical concept but it is a glaring reality and it encompasses economic, technical, environmental, cultural and other aspects of human existence. The main issue in the era of globalization is whether globalization is benevolent or malevolent. According to Dr. Sinha, globalization is benevolent for the North including Canada. Where it is malevolent for the poor South Asia including India where globalization has brought job in security, financially volatility, weak state and erosion of welfare benefits. The position of trade unions has weakened and the income inequality has increased. The job market is very rewarding only for highly educated people. According to Dr. Sinha, globalization has created certain negative aspects which are divided into six categories viz, economic aspects, political aspect, social aspect, cultural aspect, impact upon indigenous people and ecological aspect. The sceptics in general are of the view that there are many who are still devoid of their basic needs and their existence in danger. Family and community values give way to materialism and violence.

Transformationlist hold that global inter-connection and interdependence will forge new links and dilute some existing ones. They also add that relationships among nations and people are getting reconfigured and power relationship restructured but the end point of globalisation is not yet cleared. In the opinion of M. Albrow (1990) globalisation I refers to all those process that involve bringing the people of the world into a single society in which humanity emerges for the first time as a collective actor. To Giddens (1999), globalization beside economic interdependence is rather about the transformation of time and space. Distant events, economic and non-economic affect people more directly than ever before. They also argued that global economic is found reshaping the existing division of labour between the centre and periphery countries between the North and the South in the world with more complex patterns of hierarchy of inequality. The reshaping of the existing relations will have its winners and loosers both among and within countries and with new facit transnational class affiliations. Martinelli (2003) argues that transcontinental and transregional flows and networks of activities and changes have been taking place. This generates major
implications on decision making processes. New patterns of hierarchy and inequality of inclusion and exclusion are shaped that cut across national borders.

There is no free entry to WTO as each country in order to become a full member of WTO has to satisfy certain requirements:

First the country has to undertake economic and institutional reforms to ensure the compliance with the prescriptions set by the World Economic Forum (WEF) World Bank, International Monetary Fund, WTO and the Multinational Companies. These reforms include restriction of physical deficit, controlling of money supply and inflation, price liberalization, market reforms and privatization of economic public enterprises. The reforms resulted in, substantial cuts in public expenditure, more restrictive monetary and fiscal policies, import cuts to the essential capital and inputs for production and processing, and gluts in commodity markets. Based on these results, it is argued that economic reforms have failed to deliver as much as it was expected and at times reforms have failed entirely and on average they have little effect on income distribution. Similarly, there is a low overall gross benefit and the reforms have an uneven costs and benefit specially in the short-term with costs concentrated on particular groups (small producers, paid labour), while the benefits spread broadly as expressed under GDP and per capita income. Kofi Annan, the former Secretary General of UN while addressing the third session of Seattle Ministerial Conference (30th November- 3rd December, 1999) stated the following:

"In the past, developing countries have been told times and again that they stand to benefit from trade liberalization, and that they must open up their economies. They have done so, often at great cost. For the poorest countries the cost of implementing trade commitments can be more than a whole year’s budget. But the time and again, they have found the results disappointing – not because free trade is bad for them, but because they are still not getting enough it".

---