

Welcome to a new edition of the bilaterals.org podcast where we discuss the most recent developments around free trade and investment agreements.

On the 10th of September, La Via Campesina celebrated the International Day of Action against the World Trade Organisation and Free Trade Agreements. Every year, La Via Campesina commemorates the tragic death of Lee Kyung Hae, who gave his life 20 years ago outside a WTO meeting in Mexico.

For the past 30 years, free market capitalism rules from the WTO and FTAs have dominated the international trade and investment regime. It has marginalised and exploited the world's most vulnerable communities, including peasants, indigenous peoples and rural and urban workers. But geopolitics and corporate interests have actually shaped trade rules for more than 500 years before they took their current form. And food and agriculture have been at the heart of this economic system since the early days of colonialism.

Since its launch, bilaterals.org has spoken out about the colonial legacy of free trade. A recent article entitled “How colonialism shaped free trade agreements” shows how former colonial powers-turned-wealthy states have imposed past and present international trade practices. Since the invasions of the so-called “new worlds,” transnational corporations have been given the right to operate with impunity in the Global South, leaving local populations in dire straits. In fact, the primary vehicles of colonialism were not states but large companies, such as the East India Company, the Dutch East India Company and the Hudson Bay Company. They were established in the new territories more than a century before the imperial administrations and they were able to influence the emergence of international law to their own advantage.

For example, the jurist Hugo Grotius is considered the father of international law. He worked for the Dutch East India Company, where he advocated the “freedom of the seas,” which legitimised the company's aggressive behaviour. He was able to shape international legal doctrines that favoured his employer and then other colonial companies.

So one consequence of colonialism was the imposition of trade and investment rules based on European notions of property, private wealth, economics and regulation. It was as much about the assertion of power as it was about the primacy of jurisdiction and the creation of legal regimes that reflected European understandings of colonised lands and their inhabitants. Local people could never invoke the rules of international law to address the damage and suffering caused, for example, by imperial resource extraction and the displacement of indigenous communities.

Colonialism created a world economy in which the needs of the colonisers at the centre determined the economic activities of the colonised regions at the periphery. For example, in the 19th century, England imposed trade rules that turned India from a cotton exporter into an importer. English rulers also developed export crops in the colony for English factories (such as tea, coffee, rubber, opium and raw cotton). This restructured the economic landscape

to suit England's needs, causing a decline in living standards and massive deindustrialisation. It eventually led to famines in the second half of the 19th century.

Today, free trade agreements put pressure on the countries of the Global South to develop activities that meet the demands of the rich countries, without regard to local social and environmental concerns.

FTAs limit the policy space available to Global South countries to promote the development of domestic industries. They can restrict the use of subsidies, trade barriers, government procurement, or any measure that could help protect national industries and redress inequalities in the face of competition from large companies from rich countries. For example, the European Union's Economic Partnership Agreements require African countries to remove their tariffs on the Union's exports, but do not require Europeans to eliminate their subsidies on agricultural products. As a result, it encourages the dumping of European dairy products at the expense of local small-scale dairy producers.

The food and agriculture sector has been central to international trade since the early days of colonialism, when exotic products such as coffee, tea, spices and sugar became increasingly popular in Europe. At that time, international merchants dominated the foreign food trade. Spices, for example, were essential to the Dutch East India Company, which was a world leader in the business.

In the last 30 years, food and agriculture has been a key issue in trade negotiations. Free trade models have prioritised exports and directed agricultural production towards international export markets. Former colonies continue to produce and export food to meet the demands of the former colonisers, regardless of the needs of the local population. Many agribusinesses were established during the colonial era and continue to operate today. This is the case of two French companies: Compagnie Fruitière, founded by Robert Fabre in 1938 to export exotic fruits from Africa, and Socfin, a leading producer of palm oil and rubber in Africa, which was founded in 1909.

Mexico is another dramatic example of how trade agreements can damage local livelihoods and landscapes. Avocado production radically transformed the economy after the US lifted an import ban at the time when the North American Free Trade Agreement came into force in 1994. Since then, the country has become the main exporter of avocados to the US, where demand has grown significantly. In the Michoacán region alone, the area devoted to avocado orchards has more than doubled in 20 years. This has led to high water consumption, increased use of agrochemicals, deforestation and a rise in violence linked to organised crime involved in the avocado supply chain.

Despite nearly three decades of existence, none of the promises of free trade have stood the test of time. Today, the world is plagued by severe inequality, poverty, hunger, violence and authoritarianism. The climate crisis has also led to unprecedented weather events that devastate farms, forests, rivers and oceans, putting the food sovereignty of many countries at risk.

To address this problem, the peasants, small-scale food producers, wage and migrant workers and indigenous communities of La Via Campesina will develop an alternative trade framework based on food sovereignty and solidarity among peoples. This will begin in December 2023, during the group's 8th International Conference in Bogota. Ultimately, it is hoped that this will break the colonial pattern.

And that's it for today. I'm Nicolas Roux, bilaterals.org. If you'd like more information about today's podcast, you can click on the links provided in the description. More trade news coming up soon in our next podcast. In the meantime, you can visit bilaterals.org.