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CUBA

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At this Conference you will have no difficulty in appreciating just how unreal the concept of "trade liberalization" is for the Cuban delegation, when our country's right to trade freely has been denied – for nearly half a century – by the world's most powerful nation, contemptuous of the opinion of the United Nations General Assembly and its near-unanimous censure over the last 11 years of the economic, trade and financial blockade suffered by Cuba.

What is the scenario of this Fifth WTO Ministerial Conference? A world economy in crisis, intensified social problems, increasingly unequal trade flows, serious political conflicts that threaten world peace and stability. The world is clamouring for change, but this must start with open recognition of the problems and their solutions.

This concept of trade liberalization which, even with the Uruguay Round, should have helped boost the international economy and hence living standards in all the countries involved, has had results that fall dramatically short of the expectations at that time, for 85 per cent of humanity.

The effects have differed as between the various nations. These imbalances in trade are nothing more than a reflection of the yawning gulfs between countries in terms of levels of economic development. Addressing the problem from the standpoint that it can be solved by simply leaving it to blind market forces has increased these differences perceptibly, an effect that will amplify with the passage of time.

Certain indicators for the period 1995-2002, coinciding with the start of the tasks undertaken by the WTO, provide stark confirmation of the critical situation across the underdeveloped world.

- Total exports of commodities, which are essential to the economies of most of the underdeveloped nations, have decreased as a proportion of world trade, from 26.5 per cent in 1980 to 22.1 per cent in 2000.
- The prices of non-oil commodities have declined by an average of 1.3 per cent a year. For example, in the 1970s the price of a ton of sugar paid for three-and-a-half tons of oil; in 2002, it did not even pay for one. Revenue lost by the five main underdeveloped raw-sugar exporting countries during the last five years due to price erosion has totalled around 3.4 billion dollars. Similarly, the price of coffee has fallen by 62 per cent from the average price during the 1980s, involving some 30 billion dollars in lost revenues among the underdeveloped producers over the last five years.

- The volume of exports has decreased compared with the period 1985-1994, while imports have evidenced an opposite trend.
- 62.8 per cent of world trade in manufactured goods is concentrated in Western Europe, Canada and the United States. The corresponding proportions in Latin America and Africa during 2000 were 4.7 per cent and 0.8 per cent respectively.

The path to world free trade continues to be littered with obstacles created by the developed nations, notably by one great economic power:

- Customs barriers remain, as do other forms of protectionism.
- Agricultural subsidies within the OECD countries are running at 274 billion dollars per year.
- Extraterritorial application of national legislation.
- And most recently, new restrictions on trade in food products under rules allegedly designed to combat bio-terrorism, threatening exports from underdeveloped nations worth over 800 million dollars.

International trade will become a means of stimulating development only with the disappearance of unequal trade flows and the introduction of fair prices for the underdeveloped nations' products.

We are confronted by a world situation marked by increasing concentration of financial resources, in which the rich have got richer and the poor poorer. These resources feed themselves by means of parasitic operations which sometimes wipe out in a few days wealth laboriously accumulated for years in the underdeveloped countries.

The last decade has seen neither a sustainable boom nor economic stability. It has been marked by a series of financial crises in various parts of the world; by recession; by financial scandals and frauds among large corporations in the main economic centres and even in underdeveloped countries.

Neoliberal measures in their manifold guises have not only encouraged the movement of capital towards the major transnationals and the developed world and control by them of natural resources and scientific/technical discoveries; they have also become another mechanism for exploiting the underdeveloped nations and the workers of the world, as factors of a near-stagnant international economy.

Liberalization of financial services is possibly one of the greatest risks facing the underdeveloped world, with its foreign debt of over 2,200 billion dollars by the end of 2002, despite having paid out, between 1990 and 2002, some 3,400 billion in debt servicing.

There is talk of a new, knowledge-based economy, a concept that may prevail in the future. Nonetheless, the present international economic order denies knowledge to the greater part of the world's population.

The massive accumulation of capital by the rich nations enables them to invest in developing new technologies, while the underdeveloped world barely subsists with its present level of external income. It is vain to believe that, in these circumstances, the poor nations are miraculously to become

rich! If these contradictions are not resolved quickly, all we can expect is greater inequality and a process of trade liberalization that produces trade flows which merely replicate that inequality.

In the meantime, the real results for living standards in the underdeveloped world, as depicted in the worsening of the basic social indicators, reveal a scenario that is bleak indeed:

- Of the estimated 826 million starving people, 94 per cent live in the underdeveloped world.
- Life expectancy at birth is just 48 years in Sub-Saharan Africa; the average in the industrialized world is 78 years.
- In 2001, the number of those affected by HIV/AIDS worldwide totalled 40 million, of whom 95 per cent were in the underdeveloped world. The rate of infection is 11 men, women and children every minute.
- Healthcare spending at less than \$25 per capita applies to 932 million inhabitants of 34 underdeveloped countries. At the other extreme, the corresponding figure of \$1,000 per capita applies to 840 million people in 23 developed nations, of which 16 are in Europe.
- In the Third World, over 12 million children die every year from diseases that are largely avoidable.
- Over 250 million people suffer the direct effects of desertification; one-third of the world's land mass is threatened.

To sum up, we can conclude that the serious economic and social problems afflicting the most vulnerable section of humanity, far from easing, are in fact worsening.

The promises of economic expansion made to the underdeveloped nations have not been fulfilled, while we have been subjected to even greater obligations and conditionalities in the WTO.

Since the Seattle failure and up to the start of this Fifth Ministerial Conference, the delicate balance achieved through the Doha programme has brought very little progress. Indeed, only six months on from Doha, fierce protectionist attitudes emerged, seriously jeopardizing the negotiating process undertaken in Geneva. Examples include the Farm Bill and the duty surcharges imposed by the United States on certain steel imports.

The preparations in Geneva for this Fifth Ministerial Conference have demonstrated the great differences of approach and of interests between the main industrialized nations on the one hand and the countries of the South on the other.

Issues of interest to the underdeveloped nations, including trade in agricultural products; special and differential treatment; implementation issues; treatment of small economies; market access; the links between trade, debt and finance; trade and environment, as well as trade and technology transfer, have been undermined by a lack of political will, delaying tactics and occasional intransigence on the part of the main trading powers, based on their economic pre-eminence.

This scenario makes reaching a consensus at the WTO increasingly difficult and shows the urgent need to review an alleged equality of opportunity that ignores the wide and growing gulf between the industrialized and underdeveloped worlds. Cuba accordingly proposes that the current

rules be revisited as a matter of the utmost urgency, along with greater transparency in allowing effective participation by all Member States.

Unity and solidarity among the underdeveloped nations at the WTO are essential to the prospects for reforming the current rules of international trade. These should represent a mechanism for facilitating economic development and relieving poverty: restructuring of the multilateral trading system is essential to supporting the key objectives of the nations fighting to eradicate poverty, develop human resources, raise standards of public health, eliminate pandemics such as AIDS, tuberculosis, malaria and similar diseases affecting humanity, correct the imbalance in trade flows and solve the problem of foreign debt.

To sum up, we must campaign to reach the real dimension of development. We have no choice but to seek practical solutions and make radical changes to the prevailing economic and social order, which is no longer tenable or sustainable.

In this struggle for a better world, Cuba is bringing about a complete revolution in the life of its society and in awareness. We are calling it the Battle of Ideas; after three years' hard work, it has produced over 150 social programmes, mainly in the fields of education and health, and without cost to the citizen, implementing measures in the fields of general and artistic culture, communication, a basic restructuring of the school systems, dissemination of political and economic concepts and issues, involvement in social work and a large number of other ambitious projects that are already bringing encouraging results.

This mammoth task is being pursued without affecting our commitment to one of our noblest principles: internationalist solidarity and aid, basically in the form of supplying doctors and teachers, who give of their best in any place their services are needed.
