Reconsidering Global Institutions and Activism in the Age of Occupy

Blue Mountain Center

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Meeting Report

**The Changing Context:**

The 2008 financial crises created a series of changes in the global economy that are still unfolding, among them dramatic changes in the structures and direction of global governance. The G20 formed as a response to that initial crisis, so that the largest economies – and the largest creditors – were at the table alongside the traditional G8 members (debtors). Those large economies, particularly the BRICs, have come to dominate decisions in other UN forums such as the UNFCCC, UNCSD and even the Committee on World Food Security. Delegates come to those UN meetings with constraints already set in prior, and largely unaccountable, G20 processes.

Foreign investment flows from the BRICs dwarf those from multilateral agencies, calling into question the roles of the World Bank and other institutions traditionally targeted by civil society. This is not to say that the international financial institutions are irrelevant, but increasingly, finance flows around them rather than through them. For the most part, the BRICs have strong states and a history of setting and implementing national industrial policies that may contradict the free-trade rhetoric that still flows from the G20.

The realignments among countries are evident in global trade talks. Developing countries became much more assertive in global trade talks over the past decade, leading to the collapse of the Doha Round of the WTO. Instead of trade, decisions on investment have come to dominate economic policy debates. The defeat of the Multilateral Agreement on Investment, which would have set global rules favoring corporations, was an early victory for civil society, but investment rules have come to be set by a cobweb of some 2,700 bilateral investment treaties. Under the investor-state clauses in those treaties, corporations can sue governments for compensation for “indirect expropriation”, i.e., changes in domestic rules that undermine their expected profits. This has become a new battleground in economic relations, as governments are compelled to spend millions of dollars to defend public interest laws.

At the same time, the financial crisis has also led to the creation of the Occupy movement, which emerged in part as a response to the first G20 meeting. It continues to be a very diverse movement, but it does have a unifying message around the need for jobs for everyone in an economy designed along different lines. The Occupy movement is committed to horizontal decision making and shared values for change, rather than structured leadership. It has changed the public discourse on financial markets, and to some extent, on the global economy.

**Moving up the ladder from soft to hard law**

There is a growing body of international law that broadens the definition of human rights and changes the dynamics of what were once seen as purely economic debates. Principles established in global debates can create the basis for rights, which in turn establish the basis for soft law (such as the voluntary guidelines on the right to food) and eventually hard, binding laws. Progress on indigenous rights at the UN, for example, enhances cultural acceptance and institutional engagement in various debates. The Convention to Eliminate all Forms of Discrimination Against Women (CEDAW) and the International Labor Organization convention on indigenous rights, are emerging as defenses in trade law, including in investor-state disputes. Most international conventions establish exceptions to protect public morals or order, even over commitments in trade and investment agreements.

This process is playing out now in the investor-state dispute brought by Phillip-Morris over Uruguay’s laws on cigarette labeling. Uruguay is a signatory to the new Framework Convention on Tobacco Control, which was negotiated at the World Health Organization (WHO) with substantial support from international civil society organizations. As part of its obligations under the Convention, it implemented new rules on marketing of tobacco products. Phillip-Morris has sued under investor-state rules, but the tobacco treaty is itself hard law, so it creates even stronger grounds to challenge the investment commitments.

* The experience “moving up the ladder” to the tobacco control treaty and challenges to investor-state cases could provide lessons for organizing on other issues.
* The UN Resolution on the Right to Water and similar initiatives could provide the grounds to challenge investment rules, especially when the treaty or trade agreement includes provisions to safeguard “public morals and order”.
* In contrast to trade agreements, which are permanent treaties, most BITs must be renewed periodically. This could create opportunities to challenge or change them to prioritize human rights commitments established under “soft” international law.

**Financialization**

The 2008 crisis also exposed the financialization of commodity markets, in which financial speculators investing in bundled commodity index funds distorted those food and energy markets and worsened food price volatility. A certain degree of speculation helps markets function, but the addition of more and more financial speculators trading in derivatives markets has made the whole structure unwieldy and unstable. It’s like a small house, which at first had room for the producers, consumers, processors and a few speculators. Then another floor was added on to create space for commodity index funds, and a third for derivatives trading. It eventually became top-heavy, with too many traders with no connection to physical markets crowding out the real end users, until the whole building is set to collapse.

That process is now extending to investments in land (facilitated by trade and investment agreements, which impede national regulations on investment) as institutional investors continue to seek safe havens for money and to bet on continually rising prices. In both cases, resources that are essential to life and the global commons are treated as mere financial assets, with no regard for the human or environmental consequences. On the other hand, the recognition of the dangerous aspects of financial deregulation highlighted by the Occupy movement provides some tools to educate people and to consider divestment campaigns to encourage people to reconsider their investments. The new Voluntary Guidelines on the Right to Land also provides a tool to think through traditional land tenure and land rights and to push back against land grabs.

* Public education on investments by pension funds and university endowments is needed so that people begin to understand better that finance is not disconnected from the real economy.
* The Interfaith Center on Corporate Responsibility is beginning campaigns to push institutional investors to divest from food and nature, stressing the moral issues behind those investments.
* Research is needed on alternative investments, perhaps in public savings banks or the slow money movement.

**Local Foods Movements**

While financialization creates more distance among actors along the food chain, local foods movements generate connections between consumers and farmers, and between rural and urban communities. Consumers interested in healthier foods start to make connections with farmers in CSAs, and become more interested in where their food comes from and who produces it. In many cases, these movements are political and even spiritual reactions to industrialized food systems. This can lead to new consciousness about food sovereignty and the need to limit the power of agribusinesses in the food chain. So what starts as concern about buying healthier foods can become a catalyst for community building and political action. The youth movement in Europe has made these connections, as have people involved in Canadian Food Policy Councils.

These movements are emerging all over the world, but the challenge is how to make linkages among them and integrate them into political action. There is a risk that they could be co-opted by nationalist or corporate interests, particularly if they stay at the level of local purchases and don’t take the next step to question power dynamics along the supply chain and the public policies that result in the dominant food system.

* Public procurement policies such as farm to school programs provide opportunities for education and action to recover control over local food systems.
* City based local food policy councils could be connected in sister-city arrangements to encourage learning across networks and even internationally. European mayors networks are already starting to make these kinds of connections, especially on water issues. Much more could be done to create North-South linkages too.
* The emphasis should be not just on local foods, but local food systems, which address community building, farmer and farmworker welfare, environmental sustainability, as well as more nutritious and satisfying foods.

### Calendar

**2012**

International Year of the Co-operative

Shout Out Against Mining (June 1-2): Vancouver

June 13-15 ANEC/IATP conference on New Paradigms in Agriculture, Mexico City

G20 Summit in Los Cabos, Mexico (June 18-21) and subsequent policy meetings in September

People’s Summit in at the Rio+20 meeting (June)

US Ag Farm Bill (there’s a Senate draft, may continue into 2013)

Not Your Garden Variety Urban Agriculture (August 15-17): Toronto

UNFCCC Bangkok: Aug 30-Sept 5

Good Food March (Sept 19): to pressure EU parliament

Terra Madre Turin: slow food movement meeting

Committee on Food Security (Oct 15), Rome. Meet with some of the negotiators in Rome to discuss draft beforehand, meeting with negotiators on climate.

MDGs: including hunger goals, not framed in most useful way. Current discussion on future goals (SDGs)

Doha UNFCCC (3 Dec – 14 Dec)

**2013**

G20- hosted by Russia: opportunities with Russian Grain Federation?

Feb: Panel chaired by David Cameron, UN Secy report. Releases report on post-2015 UN development agenda.

Sept: high level session on post-2015 (MDG) agenda. Future of UN’s development agenda.

* zero in on some issues: e.g. nutritious food for all, reduction in poverty and hunger.

Also: UN work on development indicators

* EU: assessment of the sustainability indicators relating to Biofuels. And, investment in agriculture. (Allows for considerable public involvement.)
* UN Habitat (What is a sustainable city: municipal waste, transport, violence. But, nobody connecting dots to food. Barbara can suggest options for engagement, and assessment of value of engagement.)