

June 2011 Newsletter

Globalization and Sustainable Development Program



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U.S. Trade Policy in the Balance

GDAE researchers are playing a role in ongoing debates about the Obama Administration's endorsement of trade agreements with Colombia, South Korea, and Panama, as well as the stalled World Trade Organization negotiations. Building on its ten years of work on the [Lessons from NAFTA Program](#), researchers have highlighted the many ways in which the new trade agreements are based on the failed NAFTA model. GDAE's Kevin P. Gallagher has shown how the agreements would take away governments' ability to protect their economies in financial crises. His policy brief for the Latin American Trade Network, [Trading Away Financial Stability in Colombia: Capital Controls and the US-Colombia Free Trade Agreement](#), draws on his vast background on capital controls and trade agreements.

Meanwhile, GDAE researchers and Triple Crisis bloggers agree: the Doha talks have reached an impasse. Not only are developing nations unwilling to bend to the demands of the US to open their markets to a flood of US products, but its parent organization, the WTO, has lost legitimacy in the wake of global financial crises.



Timothy A Wise, Director of the Globalization and Sustainable Development Program, was interviewed by [The Real News Network](#) to explain why the Doha talks have collapsed. The interview, [US Demands may Kill WTO Agreement](#), expanded on his Triple Crisis Blog posts, [Doha Goes on Life Support](#) and [The Hypocrisy Clause](#). [Watch the full interview.](#)

On the GDAE-sponsored [Triple Crisis Blog](#), Jayati Ghosh explains that the impact of the WTO agreement on agriculture and the volatility of food prices are the main reasons that the Doha talks have come to a standstill in her post, [Food insecurity means few would mourn the death of Doha](#). Martin Khor explains that differences among the key countries are unbridgeable in his post, [Little progress in WTO's Doha talks](#).

The analysis of the Doha trade talks is part of GDAE's continuing work on

- [In the News](#)
- [Columns & Commentaries](#)
- [Gallagher in *The Guardian*](#)

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Stay Up-to-Date



Stay Tuned . . .

Managing Short-Term Capital Flows for Long-Run Development

In September 2011, GDAE will co-sponsor this event with Boston University's Pardee Center for the Longer-Run Future and the Initiative for Policy Dialogue at Columbia University. The event will feature former finance ministers, central bankers, representatives from the IMF, World Bank, the Asian Development Bank, and academics from across the world. Workshop participants will form a task force to articulate a framework for the use of capital controls at the global, regional and national levels.

More information coming soon!

The Globalization and Sustainable Development Program at the [Global Development and Environment Institute](#) examines the economic, social and environmental impacts of economic integration in developing countries, with a particular emphasis on the WTO and NAFTA's lessons for trade and development policy. The goal of the program is to identify policies and international agreements that foster sustainable development.

the [WTO, global trade, and development](#).

Gallagher: Investment Treaty Litigation Unfairly Punishes Developing Countries

In a new working paper, Senior Researcher Kevin P. Gallagher and Elen Shrestha critically examine the work of legal scholar Susan Franck, who claims that bi-lateral investment treaties and free trade agreements do not unfairly subject developing countries to more investor-state arbitration claims. Gallagher, however, finds evidence to the contrary.

[Download the working paper: Investment Treaty Arbitration and Developing Countries: A Re-Appraisal.](#)

[This working paper was also the subject of debate on the International Economic Law and Policy Blog.](#)

New from the Triple Crisis Blog

The Triple Crisis Blog continues to provide timely and relevant editorials from experts in the areas of global finance, development and environment.

On Climate Change . . .

James Boyce's popular post, the [Climate Justice Imperative](#), called for the US to develop a strategy to fight climate change based on the four pillars of climate justice. Lyuba Zarsky explains the need for a low-carbon growth strategy in her post, [Can low](#)

[carbon growth save us from catastrophic climate change?](#) Frank Ackerman comments on last year's failed climate change legislation in [Did environmentalists kill climate legislation?](#) Read more posts on [climate change](#).



On the Food Crisis . . .

Over one billion people in the world are hungry, according to the United Nations Food and Agriculture Organization. Triple Crisis Blogger Timothy A. Wise explained new debates on global hunger estimates in [What Food Crisis? Measuring Global Hunger](#). Jayati Ghosh explains how futures markets impact food price volatility in, [Riding the Commodities Roller Coaster: Look, Ma, No Hands!](#) Read more posts on the [food crisis](#).

Spotlight G20

The Triple Crisis Blog is also happy to reintroduce a popular feature, [Spotlight G20](#). Click on the [Spotlight G20 category](#) to hear what Triple Crisis bloggers and guest bloggers have to say on key issues that need to be addressed at the upcoming G20 summit. Triple Crisis Blogger Jennifer Clapp starts things off in her post, [How to Add Value to the G20 Agricultural Ministers' Meeting](#). Guest blogger Sophia Murphy, senior advisor at the Institute for Agriculture and Trade Policy, also added to the Spotlight G20 feature with her post, [Agriculture Ministers Should Strengthen Government Role in Volatile Markets](#).

Globalization Program News

Partnership with the Real News Network

The Globalization Program is happy to continue working with the [Real News Network](#) to provide timely interviews on issues of agricultural subsidies, global trade agreements, and foreign investment. Wise sat down with the Real News Network to discuss his recent policy brief, "[Still Waiting for the Farm Boom: Family Farmers Worse off Despite High Crop Prices.](#)" In the interview Wise explains why family farmers have seen a decline in revenues despite rising food prices. [Watch the full interview, Family Farmers Worse off Despite High Prices.](#)



[Click here to view more Globalization Multimedia and other interviews with the Real News Network.](#)

Globalization Researchers Making Waves



Globalization Researcher Kevin P. Gallagher writes a monthly Column for [The Guardian](#). In his most recent post he analyzes the debate over the next IMF chief and explains who is unfit for the role. Read his post, [Why Augustin Carstens should not be the next head of the IMF](#), and his [follow-up post on the Triple Crisis Blog](#). Gallagher was also interviewed by [Bloomberg News](#) on the next managing director of the IMF. His continued work on capital controls was also quoted by a report from the [Bretton Woods Project](#), as well as in articles from [Shanghai Daily](#) and [The Economic Times of India](#).

Gallagher gave a talk at Brown University's Watson Center with Triple Crisis blogger Mark Blyth on Wednesday, June 8 on "the emerging global economic governance and developing countries." He also spoke at an event sponsored by the World Resources Institute at the Rockefeller Foundation in NYC on Friday, June 10, on the environmental impacts of China's foreign investment. This followed a well-attended set of presentations on his latest book, [The Dragon in the Room: China and the Future of Latin American Industrialization](#), including book talks at the Center for Latin American Studies at UC Berkeley, as well as at University of Southern California's US-China Institute. [Watch his full lecture at USC on YouTube.](#) *The Dragon in the Room* was also heavily quoted by the U.S.-China Economic and Security Review Commission's report, [Backgrounder: China and Latin America](#), as were Gallagher's other numerous publications on [Chinese-Latin American trade relations](#). You can also read Gallagher's response to a question posed by [America's Quarterly: Do traditional models of international relations apply in Latin America?](#)

Timothy A. Wise's work on agricultural subsidies and food prices has proven to be an important resource to both researchers and organizations hoping to reform farm and agriculture policy. Wise spoke on high crop prices and low farm incomes at the board meeting of the [National Family Farm Coalition](#) June 17. His policy brief on the "farm boom" was recently cited in studies released by [Corporations and Health Watch](#), the [Food Routes Organization](#), and the [Institute for Agriculture and Trade Policy](#). Wise was also [interviewed by Your Call](#) on government subsidies (mention other radio interview). Wise's work on the food crisis (see his Triple Crisis

post, [Good News on the Right to Food](#)) was also reprinted by Common Dreams, Humanitarian News, and AGree. Another post on the Triple Crisis blog, [What Food Crisis? Measuring Global Hunger](#), was reprinted by [Truthout](#), [The IDEAs Network](#), and more.

Recent Globalization Publications

Kevin P. Gallagher, [Trading Away Financial Stability in Colombia: Capital Controls and the US-Colombia Free Trade Agreement](#), in Latin American Trade Network, April 2011.

Timothy A Wise, [Still Waiting for the Farm Boom: Family Farmers Worse Off Despite High Crop Prices](#), GDAE Policy Brief 11-01, March 2011.

Kevin P. Gallagher, [The IMF, Capital Controls and Developing Countries](#), Economic and Political Weekly, May 2011.

Kevin P. Gallagher, [An Intergovernmental Panel on Systemic Economic Risk](#), Policy Innovations, May 2011.

Timothy A Wise, [High Food Prices: Do Family Farmers Benefit?](#) GDAE Globalization Commentary, May 2011.

Kenneth Shadlen, "[The Political Contradictions of Incremental Innovation: Lessons from Pharmaceutical Patent Examination in Brazil](#)," Politics and Society, April 5, 2011.

Coming Soon!

Searching for Gold in the Highlands of Guatemala: Assessing benefits, costs and sustainability of the Marlin Mine, by Lyuba Zarsky and Leonardo Stanley.

Sovereign Debt Restructuring and Trade and Investment Treaties, by Kevin P. Gallagher.

Social Cost of Foreign Exchange Reserves, by Kevin P. Gallagher.

The Future of North American Trade Policy: Lessons from NAFTA, will be released in Spanish this summer!

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Global Development and Environment Institute
44 Teele Ave
Somerville, Massachusetts 02144
US

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