A year earlier, "S11" had been the name given to the huge protests organized around the meeting of the World Economic Forum at Melbourne’s Crown Casino. The Melbourne S11 protests followed similar action which disrupted the third ministerial conference of the World Trade Organization (WTO) in Seattle in late 1999.

On 14 November 2001, trade ministers meeting in Doha, Qatar, agreed to a new round of multilateral trade negotiations under the WTO. The world’s trade ministers did what they couldn’t do in Seattle: they launched a new round of trade liberalisation negotiations through the WTO.

After Seattle, no Western cities put up their hands to hold the fourth WTO ministerial conference (from 9-13 November). No-one wanted to tempt a repeat of the particular social consequences of globalization and trade liberalisation that played themselves out on the streets of Seattle.

The only volunteer was the capital of the small state of Qatar, situated on a peninsula in the Arabian Gulf bordering Saudi Arabia and the United Arab Emirates. Qatar is a monarchy which became independent of Britain in 1971 and hosted international coalition forces during the Gulf War. It has a population of around half a million and an economy dominated by oil.

The terrorist attacks in New York and Washington came at a vulnerable moment for both the world economy and the trade negotiations critical to its future shape and performance. With the world’s major economies heading down even before 11 September 2001, it did not seem like a perfect time to try again to re-energise the global free trade agenda. There had been wide differences in the agendas of the major trading blocs. WTO Director-General Mike Moore warned in late July that the prospects of launching a new round were fragile and that it was time for member nations to “get real”.

Three days after the attacks, United States Trade Representative Bob Zoellick announced the US’s determination to see the Doha conference proceed “so that the world trading system can continue to promote international growth, development and openness.” He said:

“America has been attacked by those who want us to retreat from world leadership. Let there be no misunderstanding: the United States will continue to advance the values that define this nation—openness, opportunity, democracy and compassion. Trade reinforces these values, serving as an engine of growth and a source of hope for workers and families in the United States and the world. Trade is particularly vital today for developing nations that are increasingly relying on the international economy to overcome poverty and create opportunity.”

The media industries, particularly audiovisual and telecommunications services, are an important element of the trade negotiations agenda, although they weren’t at the forefront of preliminary talks about the Doha ministerial conference. Audiovisual services, such as film and TV, were one of the most contentious areas in the “Uruguay Round” negotiations held from 1986-93. The role of telecommunications services, both as a fast-growing sector of the world economy through the 1990s and as a vital input to all other economic activities, saw separate nego-
"They were creating not just terror; they were creating images", wrote Neal Gabler in the New York Times. Elvis Mitchell, in the same paper, thought the exploding White House in Independence Day might have 'suggested the way to unlock the door to our national nightmares—a horror-movie symbolism that shows the power of a grand gesture'. He asked whether the depiction of violence had become America's most heavily exported cultural product.8

The globalization of cultural production and experience and the globalization of the world economy are closely related. The attacks on sites of such symbolic and practical significance to the global economy have demonstrated a vulnerability which contrasts starkly with the rhetoric of Western economic, ideological and cultural supremacy since the end of the Cold War. "Terrorism", as US Secretary of State Colin Powell has said since the attacks, 'is part of the dark side of globalization'.5 Roger Scruton, in an article on the Open Democracy web site, writes: 'Modern terrorist operations are greatly facilitated by globalization, which, while it has worked to the disadvantage of the poorer non-states when it comes to economics, has worked greatly to their advantage when it comes to revenge'.7

If the causes of terrorism, and the responses to it, have something to do with cultural, religious or some other kind of expression, or nationalism, or with economic opportunity and outcomes, then trade policy, including policy about trade in symbolically significant goods and services, might need to be a significant part of any sophisticated and effective long-term response to 11 September 2001. To some extent, globalization is on trial, particularly the US-centric form it has taken in the 1990s. As Hugo Young has argued, in the collective system of democracy which includes many countries, 'the US is first among unequals, and it must be asked a question about how it has handled [its] power and privilege for many years'.9

It is necessary to understand the way international trade agreements work and how they affect, and perhaps threaten, local cultural activity. Arguably, there is a need for those agreements and institutions, such as the WTO, which administer them. The survival of the world trading system, especially at a time of enormous international tension, is a significant issue for cultural and all other areas of policy. The collapse of the World Trade Organization might be a good deal less televisual than the collapse of the World Trade Centre, but history suggests it might be no less disturbing to global harmony and material prosperity.

The idea of a globally-endorsed, multilateral system that regulates trade according to rules rather than the exercise of unilateral economic force, and which has democratic legitimacy for the world's citizens, is essential both to the self-interest of a small, remote trading nation like Australia, and to any effective response to global economic, cultural and strategic challenges. But the WTO is not yet that system. The WTO requires rules and an outlook that genuinely promote economic opportunity for all the world's citizens and that it not only acknowledge, but respect, celebrate and give policy flexibility to governments to support cultural diversity in all its forms.

CONFLICT, TRADE AND CULTURE

Trade has always been a crucial strategic issue. When the architects of the peace after World War 2 sat down to invent the institutions which they hoped would administrate a world without war, one of the most important was an agency to encourage trade between nations. The lessons from World War 1 and the Great Depression seemed clear—as countries turned inwards economically in response to financial troubles and outside military threats, the prosperity of the relatively internationalised economy of the first decade of the 20th century collapsed.

Post-World War 2, it was felt that a more open trading system would both improve economic performance and, by encouraging the economic interdependence of nation states, discourage further military conflict. The European Common Market was a regional response to this and to the General Agreement on Tariffs and Trade (GATT), a broader, though far from global, forum (the initial agreement had just 22 members).

The GATT, established in 1947, was the name of both the agreement aimed at liberalising trade in goods and the organization which administered it. Under the GATT, firms were initially treated as 'goods'. They were the
subject of special arrangements which allowed national cinema quotas requiring minimum numbers or percentages of domestically-produced films to be screened in local cinemas. Such quotas might have distorted world trade in films, but they were thought by a majority of GATT members to be justifiable to support a sensitive industry and cultural practice.

The expansion of trade rules beyond goods to services was a critical development for cultural industries because so much activity in the sector, especially television, is a service, not a good. By moving to establish free trade in services, internationally common measures like local TV content quotas and foreign ownership restrictions on TV stations were brought within the reach of global trade regulation.

The Uruguay Round of multilateral trade negotiations under the GATT, which began in 1986, included trade in services on its agenda. Audiovisual industries like film, TV and video, became highly sensitive parts of this agenda, settled only at the eleventh hour of the negotiations in 1993. This reflected the economic significance of the sector to the world's largest economy, the US, and the cultural significance of the sector to countries such as France, which principally drove the negotiating position of the European Union.

The Uruguay Round agreements also included an agreement on trade-related aspects of intellectual property and a revised agreement on trade in goods. Intellectual property—copyright in films, TV programmes, videos, music, books—is critical to audiovisual and other cultural industries because it is a key element of what gets traded in the business. Physical goods, such as books and magazines, continue to be important elements of cultural trade, despite the growing importance of trade in 'weightless' commodities, such as intellectual property and digitally-delivered services. The Round concluded in 1994 with the signing of these and other agreements covering agriculture and many other issues (the negotiations ended in December 1993). These agreements also provided for the establishment of the WTO to replace the GATT from 1 January 1995.

French Culture Minister Jack Lang called the resolution of the treatment of audiovisual services 'a victory for art and artists over the commercialisation of culture'. The American studios at the time were furious at the inability of even the Hollywood-friendly Clinton administration to make more progress in removing barriers to their audiovisual exports. Legendary US motion picture industry lobbyist, Jack Valenti, said the Europeans had 'erected a great wall to keep out the works of non-European creative men and women'. US Trade Representative Mickey Kantor promised the Americans would 'fight this one for ever'.

The truth was, the Trade in Services agreement ratified by WTO members was not a complete defeat for the US, as was suggested at the time. The Europeans didn't win a broad exception for cultural or even audiovisual industries, and the US got a commitment across all services sectors, including audiovisual, for further negotiations in five years' time with a view to 'progressive liberalisation'. The rules about trade in goods were also toughened to further restrict the range of assistance measures national governments could apply to goods.

**HOW THE AGREEMENTS WORK**

The WTO intellectual property agreement—the Trade Related Aspects of Intellectual Property, or TRIPS Agreement—was by no means the first multilateral copyright law. International intellectual property conventions had existed for a century. TRIPS largely replicated the levels of intellectual property protection required of the member states of those conventions. However, it affected existing international intellectual property law in two ways. First, it provided more effective enforcement of those legal standards by imposing tougher sanctions where countries do not implement the intellectual property laws they are obliged to pass as a result of their membership of international intellectual property agreements. Second, by giving the WTO a role in the area, TRIPS dispersed responsibility for global intellectual property regulation away from the copyright forums traditionally dominated by Europeans, with their emphasis on the rights of creators, towards the global trade forum in which the US, as the world's largest economy, was a more significant player.
The services agreement—the General Agreement on Trade in Services, or GATS—was a more novel addition to international law. This agreement sets out a number of obligations about government ‘measures’ likely to distort trade. Broadly, the philosophy underpinning the agreement opposes such measures. However, it doesn’t outlaw them all. The agreement works by dividing obligations into ‘general obligations’ and ‘specific commitments’.

General obligations are things member states have to do; specific commitments are things member states have to do in the areas they specifically commit to doing them.

The general obligations include ‘transparency’ (Article III)—the obligation to ensure that countries can find out what other countries’ laws and regulations are so that their service providers can ensure they comply with them. For example, if a licence of some kind is required to set up a certain kind of business, service providers need to know where they get it, what qualifications they need, and how much it costs.

Another general obligation is ‘most favoured nation treatment’ (MFN), or non-discrimination (Article II): a country can’t treat the service providers of one country any differently from those of other countries. In practice, countries do this all the time, so exceptions had to be allowed. For example, Australia has a special trade relationship with NZ, the US has a special trade relationship with Canada and Mexico, and European countries have a special trade relationship with each other.

Australia and many other countries also have special bilateral relationships in the film and TV industry, called official co-production arrangements, under which collaborative projects can be treated as if they were local projects, for the purpose of domestic assistance schemes. Australia has official co-production arrangements with the United Kingdom and Northern Ireland, Canada, Ireland, Italy, Israel, France and New Zealand, in relation to which a specific MFN exception was made.

A further general obligation relates to subsidies (Article XVI). These are particularly important for cultural industries which are assisted by subsidies from organizations like the Australian Film Finance Corporation, the Australian Film Commission, Film Australia, the Australian Centre for the Moving Image, the Australian Children’s Film and TV Foundation and others. The WTO services agreement doesn’t require member states to remove subsidies, only to agree that they’re not a good idea and to resolve to do something about them sometime later.

The ‘specific commitments’ in the WTO services agreement require a country to give what is called ‘national treatment’ (Article XVII) and ‘market access’ (Article XVIII) to service providers from other countries. National treatment means treating service providers from other countries the same as service providers from the home country. Market access means providing access to domestic markets for service providers from other countries and not imposing certain specified kinds of restrictions. Local content quotas for TV stations would offend a ‘national treatment’ obligation. Foreign ownership restrictions would offend a ‘market access’ obligation.

Crucially, however, under the WTO services agreement, a country only has to offer national treatment and market access—the specific commitments—in those areas where it specifically commits itself to doing so. So although countries have to offer transparency—a general obligation—across all sectors, they only have to offer national treatment and market access where they say they’ll offer it. Australia, like most countries, made no commitments to offer national treatment or market access in audiovisual services, so it is not obliged to remove any assistance arrangements.

Australia can keep its TV quotas, its Film Finance Corporation and Australian Film Commission, its ban on foreign control of commercial TV stations. Of the 141 WTO members, most did not make commitments in this sector; 13 (including just three developed countries) made commitments about film and video production and distribution; six made commitments about cinema exhibition; six made commitments about radio and television transmission services, and three about radio and television; four made commitments about sound recording; and four made commitments in other areas.

A country need not be bound forever to commitments made, but if it seeks to resile from them and the issues matter to another WTO member, the withdrawing country will have to pay for the privilege. The GATS provides that a country may withdraw a specific commitment, but not within three years of making it and then only after giving three months’ notice of its intention to do so. Any other country which thinks it will be adversely affected by the withdrawal can request that it be compensated for the withdrawing country’s action. Any negotiations, which can be taken to arbitration if unresolved, should result in a general level of mutually advantageous commitments not less favourable to trade than that provided for in schedules of specific commitments prior to such negotiations.

In summary, the WTO agreements include an intellectual property agreement which supplemented the pre-existing global intellectual property regulation, and a services agreement which, although ambitious in its underpinnings, has had little practical impact to date for Australian audiovisual and cultural industries.

While there is no language in the WTO agreements specifically recognizing the social significance of cultural activities and industries, the absence of commitments on national treatment and market access and the weak obligation on subsidies ensures that successive Australian governments preserve the ability to retain, adapt and implement new measures to assist audiovisual and other cultural industries. Several times during the eight years since the final Uruguay Round deals were done in December 1993, the federal government introduced new measures or adapted old ones to assist local audiovisual industries. In 1994, the Keating government introduced its ‘Creative Nation’ package of measures, and in September 2001, the Howard government announced a significant package of additional funding and tax measures for the film industry. That’s exactly the kind of thing a country would find much more difficult if it had already made particular commitments through the WTO, say, to limit assistance measures to their current forms and levels.

It’s this policy flexibility which is so important as the audiovisual industry confronts changing technologies, commercial models and cultural forms.
No-one can be sure what the most important cultural artefacts will be in two decades’ time. They may not be things we call films and TV programmes. Whatever they are, governments need to be able to develop appropriate policies about them to ensure their citizens have real opportunities to participate in the media and cultural forms of their time.

Further, far from representing barriers to expanded cultural trade, domestic assistance measures have been crucial in ensuring the production and circulation around the world of a much wider range of films, TV programmes and other cultural products from a wider range of people and places, than would have occurred without the assistance.

DEVELOPMENTS SINCE THE URUGUAY ROUND

There have been a number of potentially important developments either flowing from the text of the Uruguay Round agreements or occurring since they were ratified:

- the commitment in the GATS to further negotiations about subsidies and 'specific commitments' with a view to progressive liberalisation over time;
- the possibility of a new round of trade liberalisation negotiations, like the Uruguay Round, with a broad agenda extending beyond any one agreement or industry sector;
- the development of a New International Instrument on Cultural Diversity;
- the US victory over Canada in a WTO dispute over certain measures to assist the Canadian magazine publishing industry, treated as a form of 'goods';
- the New Zealand victory over Australia through the Australian courts over the treatment of NZ TV programmes under the bilateral Closer Economic Relations agreement and Australia's local TV content standard; and
- plans for further bilateral agreements, especially with the US.

FURTHER MULTILATERAL NEGOTIATIONS

WTO member states were already committed to further negotiations about services under the Uruguay Round services agreement. These 'mandated negotiations' have now become a key part of the new multilateral trade round launched in Doha in November 2001.

The negotiations required under the existing services agreement include a programme of 'progressive liberalisation' and discussions about subsidies. The progressive liberalisation negotiations require Australia and other countries to go back to the table, with the expectation that they will make progressively more commitments over time to remove domestic assistance arrangements (Article XIX). Guidelines and Procedures for these negotiations were adopted by the Council for Trade in Services in March 2001. Under the Doha Declaration, member states are now required to submit initial requests for specific commitments under the services agreement by 30 June 2002 and initial offers by 31 March 2003.

The subsidies provisions require member states to further discuss subsidies, 'with a view to developing the necessary multilateral disciplines to avoid ... trade-distortive effects' (Article XV [1]).

Now the US appears to be adopting a more sophisticated approach to further negotiations about audiovisual services, which was not the case during the Uruguay Round, when the extravagance of its demands was seen by some as a key reason for the strength of European resistance. The audiovisual sector has not been a central part of its public agenda for the new WTO round, although it has indicated its support for further negotiated commitments in the sector (that is, removal of assistance schemes).

The US has highlighted the changed technological and industry environment since the Uruguay Round. It argues that the US has made significant efforts in developing what it describes as 'an understanding on subsidies that will respect each nation's need to foster its cultural identity by creating an environment to nurture local culture'. The aim appears to be to try to narrow the scale and purpose of allowable audiovisual subsidies around the world. There has also been some suggestion that the US might try to fence off 'old' and 'new' media...
forms — allowing continuing government support for established cultural forms like cinema and TV, but restricting it for online media — or try to create a wholly new category of tradable, digitally-delivered commodities which are neither goods nor services, and to which no trade-distorting measures should apply.

Tempering the traditional US industry enthusiasm for open audiovisual markets has been the concern within parts of its industry about the amount of US-sourced production now taking place in overseas countries, like Australia, NZ and particularly Canada. The changes announced in September 2001 to film tax concessions in Australia were actually strongly urged by US companies which have taken advantage of them for making so-called 'off-shore' productions shot in Australia. These changes involve the introduction of a refundable tax offset for qualifying Australian expenditure on films with budgets of more than $50 million, intended to encourage so-called off-shore projects to shoot and post-produce in Australia. However, it seems very unlikely that these perspectives will filter into the US Trade Round (USTR) negotiating positions.

There is little evidence so far that the European sensitivity on audiovisual services has significantly changed in the years since the WTO agreements were signed. In October 1999, before the Seattle ministerial conference, the Council of the European Union (EU) resolved that the Community and its member states would 'maintain the possibility to preserve and develop their capacity to define and implement their cultural and audiovisual policies for the purpose of preserving their cultural diversity'. This position remains current.

Switzerland, not a major audiovisual producer, has indicated that it shares the US view that audiovisual services should not be treated as an 'all-or-nothing issue', with the sector either subjected wholly to WTO obligations or wholly exempted: 'For Switzerland, the audiovisual sector represents both an important field of commercial activity as well as a vector of cultural identity'. It has proposed discussions on a number of issues, such as subsidies, public service broadcasting, illicit content and competition, to try to reach common understanding prior to the detailed negotiations about additional commitments.

Brazil has indicated that it wishes to see 'progressive liberalisation of the sector in a way that creates opportunities for effective market access for exports of developing countries without affecting the margin of flexibility of governments to achieve their cultural policy objectives'.

Australia's position is complex. In positioning itself for the Doha meeting, the country was a strong supporter of a new round of trade negotiations, particularly to achieve freer trade — 'improved market access' — in agriculture and services. However, Australia has been sensitive on the audiovisual and cultural sector. Following a suggestion earlier in 2001 by Trade Minister Mark Vaile that Australia's local TV content rules might be discussed with the US as part of the proposed US/Australia Free Trade Agreement (see below), the government sought to reassure the local industry.

It included Australian Film Commission Chair Maureen Barron on its WTO Advisory Panel, along with representatives from many other industry sectors, and at a July meeting of the WTO Council for Trade in Services in Geneva, had its representative deliver a strongly-worded 'intervention'. The intervention said Australia had 'long recognized the essential role of creative artists and cultural organizations in reflecting the intrinsic values and characteristics of our society, and is committed to sustaining our cultural policy objectives within the context of multilateral trade negotiations'. It continued:

In a converging technological environment, it is essential for the Australian Government to have access to a wide range of policy measures and the flexibility to apply them as necessary to ensure that Australia's cultural and social objectives for the audiovisual sector are met...

The important mix of subsidy, regulation and tax concessions that forms Australia's support for the audiovisual sector is, accordingly, not designed to present barriers to market access, but as a necessary subvention in the national interest to sustain Australian creative resources and to ensure that Australians have access to their own images and stories in the cinema and on television.

This statement was aimed both at those likely to make further demands for liberalisation in this sector, like the US, and at a local film and TV industry uneasy about the government's resolve in the face of likely US demands. As a major agricultural exporter which in general preaches the benefits of free trade, Australia has tried in general to keep its head down in global forums about its wide-ranging cultural support mechanisms. In that context, the intervention at the Geneva meeting was an important development.

Leading into the Doha ministerial conference in November 2001, the big unknown was whether any new round would get launched at all. In particular, the Europeans and the Japanese were uneasy about further negotiations over their sensitive agricultural sectors but had ambitious agendas for a new round covering such issues as competition policy, investment and the environment. This contrasted with the views of developing countries worried that, in ratifying the Uruguay Round agreements, they gave, through access to their own services markets, more than they got, through improved access to US, European and Japanese agricultural product markets. It was unclear whether the volatile international situation would make it more or less difficult to secure agreement, although there appeared to be a wide and ultimately decisive consensus among ministers that some signal of confidence in the global economy, such as a commitment to a new multilateral trade round, would be well-timed. 'We are determined, particularly in the light of the global economic slowdown, to maintain the process of reform and liberalization of trade policies', says the Ministerial Declaration approved on 14 November.

NEW INTERNATIONAL INSTRUMENT ON CULTURAL DIVERSITY

Some of those concerned that the WTO services agreement doesn't do enough to protect cultural industries and activities have argued the need for a 'new international instrument on cultural diversity'. This instrument 'would set out clear ground rules to enable countries to maintain policies that promote their culture while respecting the trade rules and
An international network²⁴ to promote such an instrument was formed in 2000 by non-government organizations and individual activists. It had its second meeting in Lucerne in September 2001. Dick Letts, from the Music Council of Australia, is a member of the Steering Committee. The Canadian Government, which decided to pursue such an instrument in October 1999,²⁵ is providing secretariat services to the network. However, the instrument has not yet been drafted and its precise nature is not clear.

Canadian trade officials, who might at some stage find themselves required by their government to sell the idea of a new instrument to their counterparts in other countries, say it first and foremost needs to be agreed by ministers for culture. When a consensus emerges there, the instrument can be raised in the WTO. Prior to Doha, the EU had not defined a detailed position on a new instrument, but it appeared not to want the WTO to engage in any debate or review of cultural or audiovisual policies, nor to negotiate a specific cultural clause to insert into the GATS. However, it seemed likely that the EU might see value in debating cultural diversity and a new cultural instrument in appropriate forums outside the WTO.

The re-elected Howard government is unlikely to seek further safeguards about culture or audiovisual services along the lines of a new instrument. In its arts policy for the election, the ALP had said it "will not take any measures to reduce Australian television content rules and will do nothing in trade negotiations to inhibit our ability to fund and support the arts".²⁶ It could have satisfied this commitment without endorsing the idea of a new cultural instrument. As it now stands, the government seems likely to be satisfied that it can protect existing policy measures in WTO negotiations simply by not making commitments to remove them.

THE US/CANADA MAGAZINES DISPUTE

The force of WTO agreements elsewhere was demonstrated in 1997, when the US won a dispute with Canada over measures supporting the Canadian magazine publishing industry. Its products were held to be 'goods', not services, and thus subject to the General Agreement on Tariffs and Trade (GATT) rather than the GATS.

Since 1965, Canada had banned the import of "split-run" magazines — magazines which produced a special edition for sale in Canada with the same editorial content as their overseas (mainly US) editions, but with Canadian advertising. When Sports Illustrated proposed to produce a split-run Canadian edition in 1993 by electronically transmitting the copy and printing the magazines in Canada, the Canadian government responded by imposing a new 80% tax on the value of Canadian advertising placed in such magazines. In addition, from 1995, the revised GATT agreement outlawed quantitative restrictions on goods trade, requiring assistance to be rendered, in most circumstances, by the more transparent means of tariffs (GATT, 1994, Article XI).

A WTO dispute settlement panel (on appeal) ruled that the import ban and the new tax, together with two other measures providing cheaper postal rates for Canadian publications, were all inconsistent with Canada's obligations under the General Agreement on Tariffs and Trade which regulates trade in goods. Canada was required to remove all these measures and has subsequently done so.²⁷

BILATERAL AGREEMENTS

Australia is involved in various bilateral trade arrangements and negotiations. Once seen as a trade policy scourge, these have assumed much more importance since the failure to launch a further bilateral round in Seattle in 1999.

A group of NZ producers successfully challenged the Australian Broadcasting Authority (ABA) and its programme standard requiring minimum levels of Australian programming on commercial television, on the basis that it was inconsistent with Australia's obligations under the Trade in Services protocol to the bilateral Closer Economic Relations Agreement between Australia and NZ.²⁸ This agreement, structured differently from the WTO service agreement, requires any continuing assistance measures to be specifically excluded from its coverage. Since Australia did not exclude its TV quotas, the ABA had to amend its standard to allow NZ programmes to count as Australian, although to date, very few NZ programmes have been screened by the commercial networks and counted towards the quotas.

The main reason Australia's quotas were so important to NZ TV programme makers was that there weren't any NZ quotas in NZ. The only assistance to the local industry there comes through subsidy and the NZ government did what Australia didn't do, and made a commitment in the WTO not to introduce quotas in the future. The Labour Government is now exploring options to introduce some form of content regulation, but quotas such as those in Australia would require it to withdraw its predecessor's WTO commitment in accordance with the process described earlier.

Negotiations for a bilateral free trade agreement between Australia and Singapore are now well-advanced. Its treatment of cultural industries will be a crucial test of the resolve to translate the words of government officials' July WTO intervention into deals actually done.

A US/Australia agreement is also being considered. In their meeting the day before the terrorist attacks, the US President and the Australian Prime Minister agreed both on the primary importance of launching a new global trade round, and on the potential economic benefits of a bilateral free trade agreement between their countries. The respective trade ministers have been asked to report back before the end of the year on how to advance the proposal.²⁹

For Australian cultural industries, this agreement is a particularly critical development because the US is the world's dominant audiovisual producer. Australia's interests in this sector would seem to be much more vulnerable in a bilateral negotiation with the US than they are in multilateral negotiations where other countries might share Australia's views.

While stating a 'strong preference' for multilateral trade liberalisation through a further round of negotiations under the WTO, the US Trade Representative has made his intentions clear:

If the WTO falters, the US will continue to pursue trade liberalisation, turning to regional and country-by-country alternatives. ... Given the size and innovation of the US economy, we can be an
attractive partner for others seeking to liberalise trade.31

WHAT TO DO?

There seem to be at least several broad trade policy tasks facing Australians interested in ensuring a lively and innovative future for Australia's audiovisual and cultural industries.

First, as already discussed, Australia needs to ensure the trade agreements it enters into, or renegotiates, preserve policy-making flexibility in the area of cultural activities. This is, by now, a very familiar task, but one which needs to be undertaken every time Australia contemplates formalising new trading relationships, with the US, Singapore, NZ, or anyone else. Australia has special economic and cultural relationships with all sorts of countries, but its special cultural responsibility is to ensure that Australians have the ability to tell their stories, spread their news and play their games. It's Australia's little contribution to global cultural diversity.

Second, although no existing policy measures in audiovisual services or other areas of cultural activity should necessarily be sacrificed, governments should consider the reciprocal concessions which might be extracted for any proposed policy changes which are likely to deliver benefits to overseas service providers. For example, the Coalition government has committed itself to removing media-specific foreign ownership laws.32 The new film tax concession, urged by US studios, might also come at a price.

Third, the WTO needs to be made to work more democratically, through assisting the effective participation of developing countries and accommodating a broader range of economic and political perspectives than have been reflected in its workings so far. There are some positive words in the Doha Ministerial Declaration on this score, with ministers seeking 'to place [the] needs and interests of [developing countries] at the heart of the Work Programme adopted'.33

Finally, Australia should be part of the work involved in developing a new international instrument on cultural diversity. It should do so not because it necessarily represents a perfect solution to the treatment of cultural issues—indeed, there is a danger that an inadequate form of words might cause more problems than it solves—but simply to ensure all possible approaches to the management of tensions between trade and cultural priorities in international agreements are properly thought through. As the Australia Council said in a recent submission to the Australian Government, 'the failure of [trade] agreements to deal adequately with broader issues such as cultural diversity and expression has been one reason the world trading system after the Uruguay Round has struggled to achieve popular legitimacy in either industrialised or industrialising countries'.34

CULTURE AND POLICY

While the demands for governments to preserve their cultural policy-making flexibility need to be made firmly and consistently, it is very important not to oversimplify the mission of cultural policy and hence cultural trade policy. It's not an easy equation of local/good, global/bad.

In general, cultural expression is about cultural exchange and that needs to occur across borders as much as within them. Manuf Khwaja, a journalist in the United Arab Emirates, has written optimistically since the terrorist attacks that 'globalization ... may have taken fundamentalism from Kabul to Kansas, but it is also knocking down the walls of rabid conservativism in Iran and Arabia'.35

Film and TV programme-makers send their work overseas not only because it helps to fund the budget but because they want people around the world to see it and be affected by it. White Australia is a settler society whose so-called 'local content' gets made in someone else's country. A country that produced Rupert Murdoch can hardly present itself singularly as a cultural victim of the programming and newspaper tastes of global media barons. Immigration and social change have complicated essentialist notions of 'Australian-ness', which were always problematic anyway.

Cultural distinctiveness also comes, sometimes, with a bitter edge—what Freud called 'the narcissism of minor differences'. Michael Ignatieff used the term as the title of an essay in which he recounted a conversation with a Serbian guard in a village in East Croatia in 1993. Ignatieff questioned the guard about what he thought made him so different from the Croats, his once Yugoslav brothers. The guard took a packet of cigarettes out of his pocket and said: 'See this? These are Serbian cigarettes. Over there, they smoke Croatian cigarettes. But they're both cigarettes, right?' asked Ignatieff. 'Foreigners don't understand anything', replied the guard.36

GLOBALIZATION, CULTURE AND POWER AFTER SEPTEMBER 11

The terrorist attacks in the US are going to require foreigners the world over to understand a whole lot more about other foreigners. The WTO is one place where that might occur. It's not yet the organization it needs to be, as the protesters at SI1 2000 pointed out. But it is one of many institutions with a crucial role in addressing the global economic, cultural and strategic challenges which already existed but which have recently intensified so dramatically.

Following the attacks of September 11 2001, the WTO and other international organizations may, if they choose, find themselves close to the front-line of a mission to remake global social and economic relationships in ways that distribute the gains from globalization more fairly—a mission already identified by some, including the EU before Seattle, but whose urgency may now be more widely acknowledged. On the other hand, an angry, frightened world which encourages its nations and citizens to polarise themselves either as friends of the US or friends of terrorism might, paradoxically, make the US more central than ever to international institutions like the WTO, and less likely to allow them to constrain its actions.

The US-led coalition forces in the Middle East probably have only one day of infancy in mind, but the world's trade negotiators have two September 11s to address.

ENDNOTES


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222 • Metro Magazine No. 133


Hugo Young, 'It May Not Be PC To Say, But Islam is at the Heart of This', The Guardian, 9 October 2001, http://www.guardian.co.uk/Archive/Article/0,4273,42733220,00.html.


General Obligations are covered in Part II of the GATS; Specific Commitments are covered in Part III: http://www.wto.org/english/docs_e/legal_e/gats-pdfs.pdf.

Regional agreements which satisfy certain requirements are expressly permitted under Article V of the GATS.


Senator Richard Alston (Minister for Communications, Information Technology and the Arts) and Peter McGauran (Minister for the Arts and the Centenary of Federation), 'Government Delivers Film Industry Package', Media Release, 4 September 2001.


http://www.imoc.net

See 'Canada and the WTO', op. cit.

Earlier in the year, former Opposition Leader Kim Beazley responded in a doorstep interview to Trade Minister Mark Vaile's comments: 'We say absolutely, under no circumstances, will we arrive at an agreement in which Australian ability to control the presentation of Australian content in its media or support the arts and culture in this country will be compromised by any international agreement', http://www.sip.org.au/policy/exec_atvc010501.html.


Khwa, op. cit.


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