

The Resistance of India toward WTO Agreement in the 9th Ministerial Conference of WTO in Bali 2013

A. Abstract

This thesis aims to describe the resistance of India toward Bali Package at the 9th Ministerial Conference of WTO 2013, which reject the argument of United States who wants to abolish the food subsidies. In fact, if the subsidy was abolished, it will influence the food security of India. The existence of India as one of developing country members in WTO, forced the India government to create regulation to safe its people. Considering India as one of the agricultural country with the second highest number of population in the world.

The author collects data from website, mass media, and book to analyze the resistance factors of India toward the WTO agreement in the 9th Ministerial Conference 2013. The theories applied in this thesis are foreign policy theory from K.J Holsty and national interest concept.

Keywords: India, Bali Package, farm subsidies, food security.

B. Introduction

India is a country in the southern part of the Asia which has the second largest population in the world, with a population around 1.2 billion people.¹ Geographically, India has a lot of large rivers such as the Ganges, the Brahmaputra, the Yamuna River, the Godavari River and the Krishna River.² These rivers contribute as factors of fertile land in India. It puts the agricultural sectors as the important sectors since long time ago. This condition caused why the approximately 800 million of India's population lives depend on agriculture as livelihood.

India is one of the founders and participated in signing of the GATT (General Agreement on Tariffs and Trade)³ in October 1947. Later, India was known as a spokesman for developing countries whose concern about the discussions to develop GATT. India's participation in international economic negotiations as an illustrator of developing countries with their attention to the interests of commerce and the world

¹ <http://data.worldbank.org/country/india> accessed on September 2nd 2015

² <http://www.mapsofindia.com/geography/> accessed on January 2nd 2016

³ GATT was an intergovernmental agreement and has the same status with a variety of other bilateral trade agreements. But, judging from the substance, when negotiations were held to formulate the GATT agreement, the substance, principles, and systems are contained in the agreement envisaged in order to then operate under the umbrella of ITO. GATT basic purpose is to provide a conducive environment for the travel trade among nations through a gradual reduction of import tariffs. Implementation of the objectives contained in an agreement made the United States in the years 1945-1947. Furthermore, GATT has the principle that the particulars in summary. MFN is the principle that the international trade among members of the GATT should be implemented in non-discrimination. Thus, the main principle is that the concessions granted to one trading partner countries should also apply to all other countries.

trading system as the access of national development. Rationally trade is capable of bringing the country towards the openness of the condition of the world increasingly complex and integrity. Martin Wolf as an economic scientist justifies that of the people.⁴The activeness of India firmly believes that trade is a path of prosperity, as observers economist confirmed that the integration of international trade opportunity. At the time Uruguay and approval of the results of these negotiations by ministers from participating countries at Marrkesh, April 1994, the international trading system is experiencing a new phase. GATT has evolved into a new form, as the World Trade Organization (WTO). Then, the WTO will become an international organization with attributes, as well as with much broader authority than the GATT. WTO was officially established on January 1st 1995, in which the establishment of the WTO agreements ratified by 78 members of states. India continued to show its existences in consciousness implementation of international trade. Of the 78 member countries, India included in the membership as a state that is very active. Understanding the presence of the WTO, in its development, there was a debate about expanding trade, not only their attention to the economic but also political issues. This is due to the actors involved, both the developed and developing countries.

The concept of free trade which should be promoted by WTO is considered as even more ensnare and plunge the developing countries. This is the logical consequence spur developing countries begin logically at every meeting or WTO round. In the end of 2013 at stake for developed stated and developing state who gathered in the WTO. The 9th Ministerial Conference of WTO held in Bali, Indonesia, in December 2013, aimed to be a place for these state interests, also aimed to be a determination sustainability of the Doha Development Agenda (DDA), the round negotiations Current WTO. At that time, the WTO negotiations narrowed down to three main issues, namely agriculture (food security), trade facilities, and flexibility for the poorest state (Least Developed State). The agriculture issues are converging on the issues of food reserves (public food stockholding) within a certain time period, in this case four years. Food reserves are considered the WTO as trade-distorting, although on the other hand food subsidies bin advances state remains permissible. The issues of trade facilities belongs to the developed states urging the construction of facilities that facilitate trade in developing state or poor states to smooth trade global supply chain.

The storyline in Bali round showed the persistence of India who loudly reject Bali consensus. Contradictions over India's attitude with the attitude of developed state indicate that India is not willing to be dictated by the WTO regime that perpetuates unilateral advantage that for developed states. India is contradictory attitude reaped by rules or regulations on agriculture. The difference in attitude in the form of India asked for an indefinite period whiles the application of additional agricultural subsidies developing state from 10% to 15% of the production value. In fact, developed states like the United States has softened to provide additional, but the record could only be granted

⁴ See Martin Wolf on the defense of liberal democracy in globalization. Martin Wolf, 2007, Why Globalization Work, Johannesburg: The Centre for Development and Enterprise.

for four years.⁵ The debate launched by India is an action that is highly appreciated for the critics to WTO. Attitude endorsed by India is not just usual reason alone, but about the future of India as a state. On the other hand, the free market regime could overturn the India towards a state collapse.

In the agriculture sector a problem for India as 2nd largest population density in the world, and also about 56% of India's population are farmers. The correlations between where population density and largely absorbed the number of workers on the farm son that it becomes the influence of food security issues. This is due to food security is not only a sensitive issue for India but it also has a high dimension because it is the responsibility of the state over its people in protecting food security has become a national consensus.

Currently, in the India agricultural sectors some foreign products have dominate the India's market, among others are Swiss cheese, apples from New Zealand, chocolate from Brazil, and biscuits from Thailand. Imported products that circulate freely in India are one of the results of India-WTO agreement in AOA (Agreement of Agriculture). This agreement aims to increase market access for foreign food. This is clearly detrimental to the people of India, since the products of western world has the advantage both price and quality. Noticeably higher subsidies and the technology applied to the agriculture of their western state, so that the products become better and can be cheaper while India does not provide a subsidy of western states and farmers are still using traditional techniques.⁶ This problem is certainly a big problem for India because the agricultural sector is the largest sector for the India economy. This sector employs 52% of India's total labor force, so that the difficulties faced by farmers are the difficulties of families in India. A difficulty faced by India farmers are so described by the farmers' very high suicide rate because they could not handle their problems. There were approximately 200 thousand India's farmers committed suicides since 1997.⁷

On the other hand, the export market of India does not gain considerable advantage of this free trade system. In 2010, India's import of goods amounted to US \$ 322.702 million and services amounted to US \$ 116.906 million. While exports of goods amounted to US \$ 216.162 million and services amounted to US \$ 109.514 million.⁸ This figure illustrates that India is less capable of flooding the world market. On the other hand, the local India market in expansion by other state. In the field of export, India products are still less competitive with products of the western world. For example, India Oil Corporation is engaged in oil and gas which is the largest company in India, currently has revenue of US \$ 68.83 billion.⁹ This value is still unable to compete with the influx of

⁵ "Soal Pertanian India Tak Mau Kompromi di Pertemuan WTO", accessed on <http://dunia.news.viva.co.id/news/read/463263-soal-pertanian-india-tak-mau-kompromi-di-pertemuan-wto> on September 4th 2015

⁶ India: Flood of Food Imports Could Destroy Indian Agriculture, accessed <http://www.twn.my/title/flood-cn.htm> on September 10th 2015

⁷ BBC News, accessed on <http://www.bbc.co.uk/news/world-india-asia16281063> on September 10th 2015

⁸ The Federation of International Trade Associations, accessed on <http://fita.org/countries/india.html> on September 12nd 2015

⁹ CNN Money, accessed on <http://money.cnn.com>

other large companies such as Exxon Mobil which have a turnover of US \$ 486.29 billion.¹⁰ The company even made difficult by the many other oil companies coming to India.

Imbalance that emerged is the subsidy itself, in which the developed state gives the disbursement of subsidies to the agricultural sector. The developed state, such as United States has been providing subsidies to the agricultural sector no less than US \$100 billion per year. While, other states in Europe disburse subsidies at least 80 billion Euros each year. It means that fact overturn on the reality in which the developed states are keeping off from the free trade's trap and secure their state, whereas the developing state, especially India, overshadowed frightened by the absence of the subsidy may be granted by government so that the stakes are causing social frustration that helped frame the presence of the destruction of the nation.

In a debate with United States in the WTO in Bali which supports the elimination of subsidies for each state, it is not acceptable to India, where India is very different position with the United States. Take for example about poverty, increased revenue does happen but not too significant to overcome poverty, but vice versa. As many as 28% of India's population lives below the poverty line in 2006 and increased to 37.2% in 2010, and 75.6% of people living on less than 2 dollars per day.¹¹ Furthermore, free trade seems to benefit a very small and could not improve the life of the India community. This is very different from what happened in the United States. Free trade principles of the WTO do not seem capable of creating economic prosperity and stability in India.

Inequality competition with products imported from the west are considered superior and because the quality of goods produced by India production technologies tend to be simple compared to the production of goods competitor states like the United States, particularly the agricultural sector. The sectors affected most of the free trade policies. India does not provide a subsidy of western state and farmers are still using traditional techniques.¹²

Other imbalances occur in the export-import sector. India received a number of imports were very much but cannot compensate for the amount of exports which is also supposed to be high. Even in the last 6 years, many India farmers suffered losses and frustration and more than 3,000 India farmers commit suicide. Potential causes of the occurrence of an extreme case of this are the exploitation by multinational agribusiness companies and the severe economic inequality.¹³

It is very irony to review the facts when the existence of WTO that is actually capable of overturning the developing state, especially India. Although the membership of developing state very much in participating, but mechanism of voting power at the meeting in Bali show which one dominates and which one participates. This then

¹⁰ United State Exchange and Security Commission, accessed on <http://www.sec.gov/Archives/edgar/data/34088/00119312511050134/d10ka.htm> on September 12nd 2015

¹¹ United Nations Development Programme, *Human Development Indices*, accessed http://www.hdr.undp.org/en/media/HDI_2008_EN_tables.pdf accessed on September 10th 2015

¹² Op,Cit., Third World Network, Flood of Food Imports Could Destroy Indian Agriculture

¹³ WTO Kills Farmers: India Free Market Reforms Trigger Farmers' Suicides, accessed on <http://www.globalresearch.ca/index.php?context=va&aid=6522> accessed on September 11th 2015.

attracted the attention to explore the India attitude that refuses Bali Package at the 9th Ministerial Conference of WTO in Bali 2013, especially in the agricultural sector which is considered lame.

C. Contents

Trade regime was born in the middle of the conflict between the US negotiator in the United States and Bretton Woods. British compromise agreement - the US ended up creating an international trade organization known as ITO (International Trade Organizations), which makes the trade issue remains unresolved. Then the arbiter of his actions in 1948, the United States has created a GATT (General Agreement on Tariffs and Trade).¹⁴ After going through various rounds, the Uruguay Round of trade negotiations is a stage which was signed in Marrakech on 15 April 1994. GATT consists of 128 countries which was later renamed the WTO (World Trade Organization). The establishment of WTO is on January 1st, 1995, to the point that marks a form of formalization and institutionalization of global free trade. WTO Uruguay Round which gave birth to a new phase in the history of world trade in a new era of neoliberal globalization.

Various new agreements reached in the Uruguay Round largely taken a heavy toll on the economy of developing countries, especially with the elimination of export subsidies applied products became the mainstay of developing countries. Traces the history of the formation of the WTO through the Uruguay Round, cannot be separated from domestic and international interests of the United States trade. Which gave birth to the WTO, Uruguay Round cannot be separated from the issue of trade deficit experienced by the United States in the 1980s. Uruguay Round of trade agreements pose a problem as the agreement was not fair for poor countries worse off, the Uruguay Round made unfair rules of the game are becoming increasingly unfair. Developed countries set higher tariffs in developing countries than developed countries.¹⁵ However, the Uruguay Round achieved a number of important successes in the agricultural sector; inclusion of agricultural trade in the WTO framework.

In November 2001, the trade ministers of WTO members met in Doha, Qatar. Negotiations received refusal of developed countries to cut agricultural subsidies. According to Stiglitz, shows that the United States issued a new plan in the field of agriculture said it would add the subsidies almost doubled. The Doha Round failed to reach an agreement. WTO negotiations are filled with a variety of talks on agricultural subsidies which started in July 2006.

It followed the ministerial meeting on the EU in 2008 resulted in a disagreement between the export of agricultural commodities and related agreements special safe-guard measures to protect farmers from the impact of import policy.

Since gaining independence, India has set an open economy. According to Narayan, after the adoption of economic reforms in 1991, India became the main

¹⁴ Gilpin, Robert. 'The Challenge of Global Capitalism: The World Economy in the 21st Century'. Vol.1, p.56

¹⁵ Stiglitz, Joseph. 'Making Globalization Work'. United States: W.W Norton & Company, Inc. 2006, p.142

destination of global retail investment, operations of multinational companies, and the absorption of foreign direct investment and dominates the Indian market.¹⁶ In addition; India is active in international multilateral forum that is meeting the WTO and the World Economic Forum. However, in 1999 and 2000, the Indian delegation left the WTO meeting in Seattle, where the United States and the European Union set standards for labor rights and environmental standards, as well as multilateral investment and competition. In both these forums, India led the developing countries to sustain demand for trade liberalization. Trade and Industry Minister, Murasoli Maran offered to lead the developing countries in the negotiation process, including the developed countries that agree to the WTO reforms and efforts to remove the issue of "non-trade". India is an important economic player and its emergence into one superpower.¹⁷

India joining the WTO on January 1, 1995 had a negative impact. This is a result of WTO policies governing trade subsidies and trade-related provisions. A group of farmers in India generally regard the WTO as an enemy who plays one of the globalization. The price of some crops has decreased dramatically after the government imposed a number of restrictions as a result of the merger of India to the WTO. The incorporation of India to the WTO brings the consequence which the Indian government should reduce trade barriers.

The role of India in the WTO is the Semi periphery country. As a country that is included in that category, India became one of the countries that are stabilizers in the system built. India is categorized as a state-owned Semi periphery based on criteria, such as in the products exported and imported goods and those dominating and dominated by India in international trade. India exported goods products include: automobile, car parts, rice, oil that has been refined, the packing of medicines, raw sugar, and jewelry. Of the products are exported, it is known that India is an exporter of raw materials, intermediate goods, and finished goods. Car products and refined oil products that have a product that requires high technology in the process of producing goods.

It can be concluded that India is not a country on the periphery where the periphery countries basically just exporting the raw materials and have mastered high technology. Then the products India imported goods such as crude oil, computers, telephones, broadcasting equipment, and gold. Products imported from India, it is known that India is also a net importer of raw materials, intermediate goods, and finished goods. It can be concluded again that India is not a country on the periphery where basically the periphery countries tend not to import raw materials.

In international trade, the Indian market dominated by a few other countries such as China (11%), the USA (4.2%), Switzerland (6.2%), and Germany (3.0%). Besides dominated by products imported from Core countries, India also dominated exports to some periphery countries such as Bhutan (72.3%) and Nepal (50.6%). This shows that

¹⁶ SudhaNarayan, 2009, *A RevolutionintheMaking: The Case of Agro-FoodRetailingin India*, dalam Andersen, Pinstrup Per &Fuzhi Cheng (editor). *CaseStudiesin Food Policy For Developing Countries*. Vol.II. New York: CornellUniversity Press, DomesticPolicies For Markets, Production, and Environment. p.23

¹⁷ Alangir. Jalal, 2009, *India'sOpenEconomyPolicy. Globalism, Rivalry, Continuity*, New York: Routledge, p.26

India is not a Core country, because India is still exploited by other countries. India is a country Semi periphery because regardless of their exploitation of the developed countries, India also exploit to some other countries, especially other developing countries.

India is one country that plays a role linking Core and periphery countries where India linked by the developed countries, especially in terms of capital and technology. India also did the bond against the periphery countries to distribute the flow of goods and services to countries Core. India's position within the world capitalist structure is about to give more chances and role in the structure. The capitalist system as a system that dominates the world today responded by India to make adjustments to the development of the system. This adjustment is made so that its position as the semi-periphery can still be maintained. India today as one of the countries with the nickname The New Emerging Country should pursue policies that ensure to avoid collisions with Core countries for capital flows coming into India are from the category of the country.

In a World Trade Organization meeting at Bali in December 2013 reached an agreement called Bali Package. The meeting was attended by the 159 WTO member countries. Bali Package achieved through an agreement among WTO members that are trying to reduce the bureaucratic obstacles in the distribution channel and global trade. However, before the Bali Package met an agreement, it received a rejection from the representative of Indian government. Indian Commerce Minister, Anand Sharma, make the effort to walk out for refusing the provisions on food subsidies.¹⁸ India firmly rejected the proposed compromise developed countries regarding the amount of the subsidy to 15% by the time the provisions valid for 4 years. India has proposed increasing food reserves from 10% to 15% of the total food production by subsidizing an unlimited time.¹⁹

As mentioned earlier, the Indian firm stand based on The Indian National Food Security Act, in which the opening listed in The Indian National Food Security Act 20 of 2013, that Act confirms the state should provide food and nutrition in every stage of life of its citizens, by ensuring the availability of sufficient quantity and good quality at an affordable price for all citizens. So with the existence of these regulations ensure basic food needs (for commodity grains include rice and wheat) to the large population of India citizen to ease in reaching food and affordability in price. In addition, this regulation requires that food subsidies to support for food affordability for the citizens. India is quite aware that globalization with free trade can have negative impacts, one of which, against fluctuations in food prices and the threat of food shortages. Free trade encourages multinationals to open a food company that can displace the poor land.

Within the WTO meeting in Bali, Anand Sharma, India Minister of Commerce rejected provisions that may be harmful the subsidies for grain based Indian policy which

¹⁸ Ibid

¹⁹ KTW WTO: India Menolak Negosiasi Pangan, on <http://pusaka.or.id/ktm-wto-india-menolak-negosiasi-pangan/> accessed on December 24th 2015

can provide food at affordable prices for the poor. India plays an important role in WTO agreement for being the pioneer firm stance representing the developing countries. After India made a strong attitude towards Bali Package, it followed by other countries such as Cuba, Bolivia, Nicaragua, and Venezuela who used to rejected the draft of WTO agreement.²⁰ The actions of these four countries were based on the removal of US references trade embargo that has endured for decades. These four countries wants these issue were taken to the WTO agreement.

The agricultural sector is being an important issue for India as country with 2nd largest population in the world, and also about 56% of India's populations are farmers. These Correlations occur where population and the numbers of workers were mostly absorbed in agriculture as an influence in food security, because food security is not only a sensitive issue for India but this issue also has a high social dimension. This is because the issue of food security is being the responsibility of the state over its people in the term of protecting food security.

Nowadays, some foreign products have flooded the Indian agricultural market. For example, Swiss cheese, apples from New Zealand, chocolates from Brazil, and biscuits from Thailand. Imported products that circulate freely in India are one of the results of India with the WTO agreement, the Agreement on Agriculture which aims to improve market access for foreign food. This is clearly detrimental to the people of India, because the products of the western country have the advantage of price and quality. The higher subsidies and the technology that applied on the agriculture of the western country are the main factor that the products become better and can be cheaper. While India does not provide a subsidy of western countries and farmers are still using traditional techniques.²¹

This issue is certainly a big problem for India, while the agricultural sector is the largest sector for the Indian economy. This sector employs about 52% of India's total labor force, so the difficulties of these farmers are the difficulties that being faced by most families in India. Difficulties that faced by Indian farmers could be described by the high rate of suicide that being done by the farmer. Around 200 thousand Indian farmers have committed suicide since 1997.²² On the other hand, India exports product does not get a considerable profit from this free trade system. In 2010, India's import of goods amounted to US \$ 322.702 million and services amounted to US \$ 116.906 million. While exports of goods amounted to US \$ 216.162 million and services amounted to US

²⁰ 4 Negara Tolak Teken Kesepakatan WTO, on <http://bisnis.liputan6.com/read/767551/4-negara-tolak-teken-kesepakatan-wto>, accessed on December 24th2015

²¹ Third World Network, Flood of Food Imports Could Destroy Indian Agriculture, on <http://www.twinside.org.sg/title/flood-cn.htm>, accessed on September 10th 2015

²² BBC News, on <http://www.bbc.co.uk/news/world-asia-india16281063>, accessed on September 10th 2015

\$ 109.514 million.²³ Those numbers illustrates that India is less effective on expanding the world market.

However, the local Indian market was being expanded by the other countries. In the field of export, Indian products are still less competitive with the products from the western country. As one example, the Indian Oil Corporation that engaged in oil and gas, as the largest company in India, currently has revenues of US \$ 68.83 billion²⁴ unable to compete with large companies such as Exxon Mobil which have a turnover of US \$ 486,429 billion.²⁵ The company even facing many obstacles by the many other oil companies that coming into India.

An inequality that shows up is the subsidy itself. In the developed countries, it always gives the disbursement of subsidies over the agricultural sector. Developed country like the United States has been providing subsidies in agriculture not less than 100 billion per year. While the countries in Europe were disburse the subsidies at least 80 billion Euros each year. That fact is actually overturning of reality, while the developed countries it stay away from the trap regime of free markets and securing his country. While developing countries, especially India, frightened by the absence of the subsidy that may be granted by the government so that the stakes are causing social frustration that helped the presence of destruction for these nations. Pessimism is possible by developing countries. The author considers that in the system and the WTO rules are considered lame, underpinned by the developed countries, further rules for the regulation of agriculture in Bali Package were more profitable for Multi National Corporations.

In the debate between the United States at the WTO in Bali, it could be legitimate to supports the elimination of subsidies for each country. But India's position is quite different from the United States. On the issue of poverty, increased income does happen, but not too significant to overcome poverty, even in the fact of increasing. As many as 28% of India's population lives below the poverty line in 2006 and increased to 37.2% in 2010, and 75.6% of people living on less than 2 dollars per day.²⁶

Before the mid-1960s, India relied on imports and food aid to meet food needs in the country. In the years 1965 - 1966, India experienced drought. So the Indian governments at that time begin to reform agricultural policy and India couldn't depend on foreign aid to meet food needs in the country. India adopted a policy reform that is focused on the goal of grain self-sufficiency in addition to rice. India is not only

²³ The Federation of International Trade Associations, on <http://fita.org/countries/india.html>, accessed on September 12th 2015

²⁴ CNN Money, on <http://money.cnn.com/magazines/fortune/global500/2011/snapshots/6361.html>, accessed on September 12th 2015

²⁵ United State Exchange and Security Commission, on <http://www.sec.gov/Archives/edgar/data/34088/000119312511050134/d10ka.htm>, accessed on September 12th 2015

²⁶ United Nations Development Programme, *Human Development Indices*, on http://hdr.undp.org/en/media/HDI_2008_EN_Tables.pdf, accessed on December 19th 2015

experiencing the challenges of weather, India has also experienced population growth that is fast. Total population of India ranks second in the world. Thus, the problem of population also spread to other problems. One of them is the provision of adequate food for the entire population of India.

Moreover, the food price crisis was a highlight for policy-making in India. In the WTO Doha Round, India submitted a proposal regarding food security in developing countries. India looked at the problem of food will be a global concern and required concrete measures to address the food insecurity. India saw food price fluctuations is serious and will require the application of agricultural products and food subsidies for developing countries.

In a study of Ganguly and Gulati²⁷, stated that India experienced a global food price crisis on 2007 - 2008, then Indian export a policy to related to some food commodities (banning the export of commodities wheat and rice) and does not allow domestic fertilizer prices have increased corresponding the global prices. In the Middle of 2009, rising food prices start with increased drought in India. Despite India's economic growth has increased, but India suffered the problem of poverty. A total of 41.6% of India's population or accordingly around 456 millions of peoples are living with wages under \$ 1.25 per day. The policy is in line with India's economic architect who also served as Prime Minister of India, Manmohan Singh.

In early 2009, Manmohan Singh was re-elected for Prime Minister of India following the success of previous elections, including its success to protect India from the world food crisis. Global prices rose by 16% between June 2007 and June 2008, but the rise in food prices that occurred only reached 7.9%²⁸. To protect the existence of grains and seeds, then in October 2007, India banned the export of non-Basmati rice. The ban resulted in a condition where the price of rice in India is being more stable. India has imposed a food policy that is supported by the food security in an effort to anticipate a surge in population. India seeks to meet domestic demand in the production of raw materials such as rice and wheat. The state plays an important role in agricultural policy based on the constitution of India. In 2009, the Indian government has issued a draft law by the national food security in the event of inflation expectations do not affect food prices.²⁹

In 2013, the Indian government made a progressive effort for food security is being much socialized. On August 26, 2013, the Indian government launched a food

²⁷ Ganguly, Kavary dan ASHok Gulati. 2013. 'ThePoliticalEconomy of Food PricePolicy. The Case of India'. UNU (United Nations University) WIDER Working Paper No. 2013/2014. On http://www.wider.unu.edu/publications/working-papers/2013/en_GB/wp2013-034, accessed on January 3rd 2016

²⁸ Gouel, Christophe. 2013. 'FoodPriceVolatilityandDomesticStabilizationPoliciesinDevelopingCountries', on <http://www.nber.org/papers/w18934>, accessed on December 19th 2015, 2

²⁹ Ibid p. 22

subsidy with an estimated value of 19.8 billion dollars per year. The policy program is the world's largest food program. Although the Indian domestic politics rowdy stating this policy as a popular effort ahead of the general election in May 2014. On September 2, 2013, the Indian Parliament agreed on a budget of 20 billion dollars to provide food for 800 million people living below the poverty line of a total of 1.2 billion people India. On 12 September 2013, the Indian government asserted the Indian National Food Security Act which aims to subsidize the cost of food to meet the needs of 1.2 billion people in India. Some food products are subsidized such as rice and wheat. Previous Law food safety has entered the discussion process in the form of draft Food Safety Act of India in 2009. But efforts to accelerate the ratification of the Draft Law on Food Safety marathon conducted in 2012. The Food Safety Law regulates the price of basic foodstuffs, especially food subsidies for the poor of India.

D. Conclusion

India is a country in the southern part of the Asia continent which has the second largest population in the world, with a population of around 1.2 billion. In geographical conditions, India has a lot of large rivers such as the Ganges, Brahmaputra, Yamuna River, River Godavari and the Krishna River. The existence of these streams, they cause most of the land in India to flourish. It puts the agricultural sector is the heart of life for India since time immemorial.

India is one of the founders and participated in signing the GATT (General Agreement on Tariffs and Trade) in October 1947. Later, India was known as a spokesman for developing countries concern about the discussions to develop GATT. India's participation in international economic negotiations as an illustrator of developing countries with their attention to the interests of trade and the world trading system as the access of national development. Activeness India firmly believes that trade is a path of prosperity, as observers economists confirmed that the integration of international trade an opportunity.

The 9th Ministerial Conference of the World Trade Organization is hold in Nusa Dua, Bali on December 3rd to 7th, 2013. The results of the 9th Ministerial Conference of WTO packed into Bali Package. It includes three of the agenda, namely trade facilities, agriculture sector and Development of the least developed countries (Least Developed countries / LDCs).

Bali Package is a historic moment in the course of the WTO since it was founded in 1995, which contains three important agenda, namely:

1. Developing countries and least developed benefit greatly with the result of trade negotiations that the new facility was first performed throughout the course of the WTO.

2. Bali Package provides flexibility for developing countries, especially countries with large population such as Indonesia and India to provide subsidies with its farmers and ensure food security for the poor.
3. The result of Bali Package agreement also encouraged to pay more attention to less developed countries both in terms of market access as well as other assistance.

The agenda has provided an opportunity for developing countries and less developed benefit greatly with the results of trade negotiations that the new facility was first performed throughout the course of the WTO. Bali packages also provide flexibility to developing countries in the field of food security program. In this case, there will be a change in the Agreement on Agriculture. Bali package also includes a political commitment to reduce export subsidies in agriculture and maintain it to remain at a low level, and reducing trade barriers for agricultural products imported under the quota system. Bali Package also contains draft agreements in the field of intellectual property rights (IPR), the work program in the field of electronic commerce, the work program for the economically weak countries, aid for trade, and trade and technology transfer.

In a meeting of the WTO in Bali, December 2013, reached an agreement called Bali Package. However, before the agreement of Bali Package, when still in draft being rejected from the India government representatives. India Commerce Minister, Anand Sharma, make the effort to walk out for refusing the provisions on food subsidies. Assertion India are based on the India National Food Security Act, in which the opening listed in The India National Food Security Act 20 of 2013, that Act confirms the state should provide food and nutrients in every stage of life of its citizens, by ensuring the availability of sufficient quantity and good quality at an affordable price for all citizens. Anand Sharma, Minister of Commerce of India rejected provisions that may be harmful subsidies for grain based India policy which can provide food at affordable prices to the poor.

Once you have done a strong attitude towards Bali Package, this is then followed by other countries such as Cuba, Bolivia, Nicaragua, and Venezuela who rejected the draft WTO agreement. Measures four countries based because there is the removal of references trade embargo the United States (US) that has endured for decades. These four countries it wants the issue was taken to the WTO agreement. India is a contradiction in the attitude with the attitude of developed countries indicates India does not want to be dictated by the WTO regime that perpetuates unilateral advantage that for developed countries. India contradiction attitude reaped through rules or regulations regarding agriculture. The difference in the form of the attitude of India asked for an indefinite time of the application of additional agricultural subsidies developing countries from 10% to 15% of the value production. The gap that shows up is the subsidy itself. In which the developed countries it gives the disbursement of subsidies to the agricultural sector. Developed countries like the United States has been providing subsidies in agriculture are not less than 100 billion per year.

Therefore, in Europe they disburse the subsidies at least 80 billion Euros each year. That is, the fact is actually overturning of reality in which the developed countries it away on a trap regime of free markets and securing his country while developing countries, especially India, overshadowed frightened by the absence of the subsidy may be granted by the government so that the stakes are causing social frustration that helped frame the presence of destruction for these nations.

The agricultural sector is an issue for India as a country that has a population density is the 2nd largest in the world, and also about 56% of India's population as a farmer. Food security is not only a sensitive issue for India but this issue also has a social dimension that high. This is because the issue of food security is the responsibility of the state over its people in protecting food security. India runs the Food Safety Law, known as the India National Food Security Law with food supplies on the market to balance the price rising. The India Food Safety Law has two objectives, namely easier access to food and support farmers in the country. A total of 22 billion dollars on welfare schemes, subsidies for rice and wheat by 67% to 1.2 billion people. This scheme will be expanded on a massive scale to strengthen the program to provide food for 218 million people.

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