Policy Decision Memo—Summary

GMOs and the Politics of International Trade Resource Policy and Administration

Concerns on GMOs in Thailand are intricately tied to international trade. On one side, if GMOs are allowed freely, Thailand could gain substantial benefits, from greater access to the US agricultural market and special treatment of manufacturing industries, through the US-Thailand FTA. On the other side, such benefits could possibly be offset by huge economic and environmental costs associated with the commercialization of GMOs. The adoption of GMOs in Thailand would not only affect international marketability of organic produce in the EU and Japan, but pose risks to public health and serious threats to domestic biodiversity.

Even though the adoption of GMOs seems technically justified in terms of overall, long-term, economic growth, it is not feasible owing to huge, immediate, political costs as well as problematic administrative structures to seize such benefits. Based on the comprehensive analysis, the commercialization of GMOs should **NOT** be permitted in Thailand at this point.

TECHNICALLY, it is uncertain that the adoption of GMOs via the bilateral pact would benefit overall Thai economy from export. Still, hidden costs associated with the health and environment risks are hard to quantify and observe. Additionally, for a justice perspective, those economic benefits are restricted to the 'better-offs' in Thai society, i.e. large businesses, while health and environmental costs are distributed among others, the majority of people.

POLITICALLY, the policy appears unfeasible through macro, electoral and action channel politics lens. Macro-politics of the decision can be simplified into a political arena in which the US plays a major role against domestic NGOs. At a first glance, the US, a politically and financially powerful stakeholder in the international realm, seems dominant to Thailand in deciding its GMO policy. However, since the nearness of the election and the public sensitivity to GMOs, the influence of the domestic actors should not be overlooked and could unbelievably harm PM's political career. In this case, the coming election serves as a collective action arena for the fragmented but large general public to become visible and influential in the issue. NGOs could make use of the media to easily mobilize the general public to boycott the policy and especially joining the opposition party to make the establishment of one-party government and even the chance of reelection unlikely. The role of pro-GMO actors, usually large businesses, in the national political arena, on the other hand, could not be visible, in afraid of their images ruined. Moreover, putting forward the adoption of GMOs through FTA is quite difficult, given insufficient support in the National Assembly, in particular, in the upper house.

ADMINISTRATIVELY, the adoptions of GMOs could potentially magnify the risks technically associated with GMOs, given conflicts between policy and organizational culture, high operational demand, limited resources, and shared responsibility problems. These problematic structures provide loophole for politics to involve and could potentially harness implementation out of its policy intentions.

Nevertheless, the decision not to adopt GMOs should not be taken as rejecting the technology itself. The justification of being aware of its adverse impacts should be made explicit as a strategy to reclaim the confidence of Thai non-GM food export, whereas that of unavailability of necessary institutions could strategically be taken to mitigate the political impacts.

As a basis for the decision on Thailand's position in the coming IUCN Congress, this memo has been prepared from a comprehensive examination of technical, political, and administrative feasibility of the policy on the commercialization of GMOs through the Thailand-US FTA. The issue of GMOs is not only taken as a matter of new technology but intricately involved with the issue of international trade. Since the introduction of GMOs as a technological means to agricultural development, the incentive to adopt GMOs has never been as strong as is now for Thailand. Through the free trade pact, the US would allow Thailand greater access to its agricultural market and other kinds of special treatment of manufacturing goods, if Thailand is, in return, agreed to adopt the policy on commercialization of GMOs. Nevertheless, the adoption of GMOs may harm its already established market of organic produce in the EU and Japan, not to mention other potential risks or threats to human heath and biodiversity.

The feasibility analyses suggest that, even though technically justified for economic growth, the policy on the adoption of GMOs appears not feasible considering huge political costs especially at time close to the election. Such political costs of the policy are immediate and could be aggravated by mismatched administrative culture and institutions, whereas its economic growth benefits could potentially be delayed due to lack of necessary intellectual property (IP) right institutions and even not be assured due to technical uncertainties, politics, and administrative barriers. Therefore, the commercialization of GMOs should **NOT** be permitted in Thailand at this point. Furthermore, supporting GMOs with no account of its attached environmental risks is seemingly inappropriate in the World Conservation Congress in which thousands of representatives of states, government agencies, NGOs, global business leaders and politicians all over the world with environmental interests will convene and especially of which Thailand will be the host.

This memo presents in detail the result of technical, political, and administrative feasibility studies for the justification of the recommendation for Thailand not to adopt GMOs. Finally, it suggests some possible strategies in mitigating the impacts of the decision.

1 Technical Feasibility

The commercialization of GMOs is claimed to promote overall economic growth directly and indirectly from trade. The genetic engineering technology could promote economic growth directly by improving the productivity in terms of quantity and quality for Thai food export. Thailand could also benefit indirectly by gaining more access to the US market of agricultural as well as manufacturing goods through the Thailand-US FTA. It is asserted by Thai government that the free trade pact could boost Thai GDP growth and create significant employment.

These benefits from the adoption of GMOs are however dubious. The policy could also increase level of economic dependency, yet some particular industries could be adversely affected by the US import. In addition, commercializing GMOs is expectedly associated with environmental and health risks of which the costs are difficult to observe and quantify. Furthermore, there are still questions of the distribution of those costs and benefits in regard to justice perspectives. Those economic benefits are likely to be restricted to the 'better-offs' in Thai society, i.e. large businesses, whereas health and environmental costs tends to be distributed among other majority of Thais. Given uncertainties associated with technical considerations, it is hard to decide whether Thailand should adopt GMOs in order to benefit from the Thailand-US free trade pact.

2 Political Feasibility

In addition to the technical perspective, the policy to commercialize GMOs in Thailand through the Thailand-US FTA seems not feasible, considering the interplay of actors' interests and influences in the macro-politics, electoral, and action channel politics.

2.1 Macro-Politics

Politically, the decision to adopt GMOs in Thailand is laid out in the vested interests of actors at not only domestic but also international levels. The politics of GMOs in the international trade arena is clearly reflected in long-standing dispute between the US, a major GMOs exporter, and the EU in regard to its moratorium on GMOs. Given dominant position of the US in the global arena, the EU has to relax its approach by shifting toward other indirect types of trade barriers, safety liability and labeling requirements. Though it is likely that more and more countries will be forced to welcome GM produce, the safety and/or protective measures would be more stringent as more obvious segregation of GMOs and non-GMOs. If Thailand were to adopt GMOs, given the international trade politics, these strict trade barriers would definitely offset the benefits from increased export as technically claimed. Given consumers' trends of GMOs rejection in the world market including the US, Thailand could instead be more competitive by remaining a non-GM food producer and focusing on the organic food market. Especially, the price of organic produce is usually much higher than that of GM produce.

Within Thailand, the politics regarding GMOs is simply the conflicts between scientific communities promoting agro-technology by virtue of agricultural development and NGOs opposing GMOs for its health and environmental concerns. The interests of scientific communities are in line with their values and especially motivated by the commercialization of their knowledge via GMOs. In fact, these research communities are closely tied to external actors through research assistance and funding provided and consequently their research agenda represents the interest of trans-national companies. Despite large amount of resources available, scientific communities' arguments could not gain momentum in the general public, as compared to NGOs' with less resource base but powerful strategies to dominate the public debate on GMOs.

The decision could be thus simplified into a political arena in which the US plays a major role against domestic NGOs. While the US could gain influence over Thailand in the international trade arena, the role of NGOs could be decisive in the coming election in next three months, which is the subject of the next section.

2.2 Electoral Politics

For Prime Minister Thaksin Shinawatra, wining the election might not be as difficult as achieving a one-party government, which could not be possible without taking into account the interests of his supporters as well as his constituencies. It is clear that the success of the Prime Minister and his party in the previous election was partly because of his close ties with large businesses through financial contributions to the party for the election campaign. Thus, on one hand, his economic growth-driven policies, including that of GMOs and the Thailand-US FTA pact, are very important to maintain such relationships. If GMOs are permitted as implicitly guided by the US, those people could substantially benefit directly from GMOs and indirectly from the FTA with the US, including increased profit of export-oriented agri-businesses and other special treatments of Thai export in the US market.

On the other hand, gaining 350 out of 500 seats in the lower house to be able to establish a one-party government is not easy without paying attention to his constituencies. Though their satisfactions to the performance of his government, especially in regard to economic growth, the majority of Thai people are still reluctant to accept GMOs and could potentially reflect their discontent in the coming election. This is very important, since most Thais are swing voters; only those in few rural areas show their partisan royalty. Furthermore, there is a high tendency that food safety panic could occur in Thai society from GMOs, as precedent of the spread of bird flu from chicken.

The politics at macro-level could be translated into electoral politics. The role of anti-GMO groups could be influential, especially during the time of the election campaign. Given the public sensitivity to GMOs, it is also highly possible that those NGOs could easily mobilize substantial people, probably through the media, to reject the government, if GMOs were to be approved. The adoption of GMOs could also be a significant target of the opposition party to attack the government for benefiting his supporters at the expense of majority of Thais. This could significantly affect the possibility of reelection, since the coming election could constitute a collective action arena for the fragmented, disperse, but large general public to become visible and influential in the issue. In contrast to the anti-GMOs side in the electoral politics, the role of pro-GMOs actors, mainly multinational agri-businesses, is silent in the public arena. In afraid of producing 'bad' images in the public eye, they could only push forward their interests behind politicians through partisan support.

2.3 Action Channel Politics

The policy on adoption of GMOs will be directed through the negotiation of Thailand-US FTA to gain other benefits from the free trade. Since several pieces of laws are subjected to be modified as result of the FTA, the agreement is, according to the Constitution, mandated to the approval of the National Assembly, comprising the Representative House and the Senate. One major concern that the US will push into the FTA is the IP right protection to include patents on all living things as required for biotechnological trade. Unfortunately, the IP issue goes beyond GMO controversies; such patent system would not only raise the prices of plant and animal breeds, but also affect public access to medicine.

Given PM's powerful leadership and a majority of the government party in the lower house, it is not so difficult to pass the agreement. This is unlikely the case in the Senate, as key senators

working on GMOs and IP issues have developed an information network and work closely with NGOs and grassroots organizations. Since the new patent system is still questionable in regard to the justice viewpoint, it would be difficult to lobby those key players in the Senate to agree upon. Moreover, the logic of economic growth through GMOs seems problematically justified, given alternatives of agricultural development, e.g. organic agriculture, as well as alternatives of free trade, e.g. multinational pact through WTO. Especially, the multilateral FTA through WTO under Dr. Supachai Panitchpakdi, a Thai leadership, might not be as hopeless as in previous trade negotiations, given a good progress in pushing developing countries' interests in the recent WTO negotiation.

3 Administrative Feasibility

It is equally important to foresee potential administrative scenarios if GMOs were to be freely commercialized. Additional to a new patent system, the adoption of GMOs requires the establishment of institutions to be responsible for: i) research and development (R&D), ii) practice management—screening/approval, segregation and monitoring, and iii) GM labeling. Though newly-established and existing institutions: BIOTEC/NBC, DOA, and FDA, are already assigned these tasks, respectively, it is likely that serious implementation problems would occur.

3.1 Internal Conflicts and Resistance

Several crucial problems of respective agencies implementing the policy, first of all, arise from potential conflicts between assigned responsibilities and existing organizational values and culture. NBC is dominated by scientific values and even is originated under administrative control of BIOTEC—the key R&D agency promoting GMOs, thus resulting in its potential disregard of social and environmental effects of GMOs and its technological bias. Also, deeply rooted in agricultural extension culture—providing knowledge, technology, seeds, and other

means of production, DOA seems unaware of the privatized knowledge and potential risks of GM crops. Intentional provision of GM seed in a trial stage to a neighbor farmer that causes the recent leaking of GM papaya clearly illustrates the mindsets of DOA. It is yet possible that DOA may resist to policy change if GMOs come into a play, since the role of traditional extension is significantly reduced. Also, ineffective management of GM crop would potentially be expected, due to DOA's self-monitoring system.

Similar conflicts regarding the new IP system could also be anticipated. The policy adopting GMOs through FTA implies patent imposed on seeds and living matters in Thailand, which is likely to pose serious administrative problems. Notwithstanding substantial resources required for developing its totally new database, its conflicts with Thai cultural model could lead to unintentional adverse effects on domestic biogenetic resources as well as indigenous innovations. The fact that local biogenetic resources are public goods and that local agricultural innovations are not intended for profit would clearly be conflicting with the commercial purpose of patent. As a result, domestic resources and knowledge would be prone to appropriation rather than protected by the new IP right system.

3.2 High Operational Demand but Limited Resources

The most difficult tasks to implement are GM practice management—segregation and monitoring responsible by DOA. Given no significant difference of physical appearance between GM and non-GM crops or produce, segregation and monitoring tasks are very difficult but extremely important, if Thailand still want to keep its organic produce sector in the world market. These complicated tasks imply demand of additional types of expertise and equipments, e.g. in monitoring on agricultural biodiversity. Despite DOA's large amount of resources in term of quantity of staffs and local offices throughout the country, the demand of staffs with technical

knowledge in implement the policy pose a new limit in term of quality of available resources. Without trainings, additional staffs and necessary equipments, which imply huge financial cost, practice of GM crops could not be managed or controlled properly.

3.3 Problems of Shared Responsibility

Problems of coordination among responsible agencies are also likely, since Thai bureaucratic process does not facilitate horizon communications across different ministries. The coordination among BIOTEC and NBC for R&D, DOA for practice and monitoring, and FDA for GM labeling has to pass vertically through ministerial level, i.e. Science, Agriculture, and Public Health Ministries, respectively. Lack of coordination would potentially lead to overlapping or even conflicting responsibilities among those agencies having different interests. Without effective communication, common resources, including equipments, information database could not be shared properly and huge amount of resources would be required to acquire their own.

Macro-politics could potentially create difficulties in implementing GM approval and labeling, and even harness implementation off its bio-safety concern. Beneficiaries from GMOs are likely to lobby politicians that could influence DOA's approval process. Likewise, strict, compulsory labeling could actually be very hard to implement due to the politics.

4 Proposed Strategies

Despite a decision NOT to adopt GMOs freely is recommended, it could be taken strategically according to particular decision channels, either to further its advantage or to mitigate its impacts. In other words, this decision should not be made extremely to one standpoint. As one possibility, it should not be taken as rejecting the technology itself, but as being aware of its potential adverse impacts. In the IUCN Congress, the decided position could strategically be used to create opportunities for Thailand to gain a good environmental image as well as to reclaim the

confidence of Thai non-GM agricultural export. As one of the world largest organic food producer, Thailand could enhance this strength to fully exploit opportunities in the international market. Deciding not to adopt GMOs, but to promote organic produce could strategically respond to the worldwide consumers' awareness of GM food as well as bio-safety concerns.

In mitigating its political impacts on the Thailand-US trade relationship as well as campaign supporters, the decision could be taken rather as a delay in GMO commercialization. It sounds acceptable not to adopt GMOs until Thailand is ready for it or even for making such a decision. In fact, given controversies on GMOs, the ongoing draft of bio-safety law by appointed committee of both sides would inevitably be delayed. However, if completed, it would significantly reduce controversies. Instead of pushing forward the policy before completion of the law, PM could take this as a strategy to delay the decision as well as to exploit such conflict-resolution potential of the law. A new patent system could, likewise, be another justification of Thailand's readiness. Controversies over these issues are likely to prolong the trade negotiation process as well. Personal communications with key leaderships of campaign supporters and those of the US, such as Senator Bond, in regard to the suspension could be helpful. This channel allows including the justification of the decision in terms of electoral politics to start a new negotiation after the PM's reelection, with stronger political capital and probably a united one-party government to push such a controversial policy.

While Thailand is 'not ready' for GMOs, the recent leaking of GM papaya in the Northeast region has pushed the GMO debate to its decision point in the IUCN Congress. Driven by domestic as well as international politics, Prime Minister of Thailand will have to decide whether or not to allow commercialization of GMOs.

DECISION MAKER

Thaksin Shinawatra became Prime Minister of Thailand under the country's most democratic constitution ever in 2001, after eight years in his political career. His party won the election with almost an absolute majority—248 out of 500 seats in the parliament. Starting with a foreign minister and deputy-prime minister in a coalition government, he later founded his own party in 1998 with huge financial resources from his business. To Thai voters, he has been seen as the most successful, liberal, outward-looking Thai leaders: holding a US doctorate in criminal justice, becoming the most successful transnational businessman, and appealing to modern technology, and was expected for his 'CEO' vision to bring the recovery of Thai economy. Only for two years in the position, he could succeed in pulling Thailand out of the 1997-98 Asian financial crisis, for his boost of Thailand's export market through trade negotiations as well as for a populist program that featured cheap medical care, a rotating credit scheme for villages, and a three-year debt moratorium for small farmers. That comprehensive plan affecting a large number of people has raised his popularity in both urban-business and rural-agricultural sectors.

Despite the success of economic policy, his government was much criticized on civil liberties and government-business relationship. He has little tolerance for criticisms and has been accused of attempting to control the media, through his family's business. His policies are also believed to be in the self-interest of his cabinet that is comprised of several former leaders of big businesses, from media, finance, telecoms, to agricultural (produce & seed) industry.

DECISION POINT

The IUCN World Conservation Congress, comprising delegates of states, government agencies, NGOs, global business leaders and politicians over the world, will be held in Bangkok for debate on 114 motions to decide the future direction of IUCN—The World Conservation Union. These notions include an issue on whether the IUCN should encourage a moratorium on further release of GMOs, or help establish a sound body of knowledge on environmental risks and impacts. However, it is likely that members of the world's largest conservation organization would call for a halt to the release of GMOs.

For his opening speech for the conference, Prime Minister of Thailand is facing a dilemma in his decision on commercialization of GMOs in Thailand. Should he announce on supporting commercialization of GMOs in the IUCN congress? If so, how could he manage to overcome the opposition? Or if not, how could he respond to the Congress regarding the widespread contamination of GM papaya from the state-run experiment that is still in regular operation? Not to mention current election politics and pressures from international societies.

LIST OF ABBREVIATIONS

BIOTEC	National Center for Genetic Engineering and Biotechnology
DOA	Department of Agriculture
EU	European Union
FDA	Food and Drug Administration
FTA	Free Trade Agreement
GM	Genetically Modified
GMO	Genetically Modified Organism
IP	Intellectual Property
IUCN	World Conservation Union
NBC	National Bio-safety Committee
NGO	Non-Governmental Organization
PM	Prime Minister
R&D	Research and Development
US	United States of America
WTO	World Trade Organization