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The end of Taliban rule could “come gradually area by area, or very suddenly” according to UK foreign secretary Jack Straw. That’s hardly the kind of talk that will rally the troops. Indeed, it’s the kind of talk that confirms one’s sneaking suspicion that the US and the UK may have badly misjudged their opportunistic adventure into Afghanistan. They don’t seem to have a plan or an exit strategy and, in any case, what would winning mean? In their view, perhaps, nothing short of an end to Islamic fundamentalism? Is that what they want? And isn’t a Holy War precisely what bin Laden has been angling for? In this issue of Focus on Trade, Walden Bello argues that the war against bin Laden is a battle between “spirit and matter” and that, by entering into that logic, the US has “stumbled into bin Laden’s preferred terrain of battle.”

Aileen Kwa’s report on the state of WTO negotiations in Geneva just three weeks before the Fourth Ministerial in Doha will no doubt evoke a feeling of *déjà vu*

for all those who followed the preparations for Seattle. As one developing country trade negotiator remarked just a few weeks ago, the situation is worse now than it was during the preparations for Seattle, an assessment that makes perfect sense after reading Shalmali Guttal’s “Square Pegs in Round Holes: The WTO and Democracy” where she describes how the bias of the WTO favors the rich countries in everything from the content of the agreements to the selection of the chair for its committees.

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HOW TO LOSE A WAR

By Walden Bello*

After over two weeks of Anglo-American bombardment of Afghanistan, once one gets beyond the sound and fury of American bombs and the smokescreen of CNN propaganda, it appears that in the war between the United States and Osama bin Laden, the latter is coming out ahead.

“MAKING THE RUBBLE BOUNCE”

It is doubtful if Washington has achieved anything of tactical or strategic value except to make the “rubble bounce,” as the consequences of multiple nuclear explosions in one area were cynically described during Cold War. Indeed, the bombing, which has taken the lives of many civilians, has worsened the US’s strategic position in Southwest and South Asia by eroding the stability of the pro-US regimes in the Muslim world. A radical fundamentalist regime is now a real possibility in Islamabad, while Washington faces the unpleasant prospect of having to serve ultimately as a police force between an increasingly isolated Saudi elite and a restive youthful population that regards bin Laden as a hero.

Meanwhile in the rest of the developing world, the shock over the September 11 assault is giving way to disapproval of the US bombing and, even more worrisome to Washington, to bin Laden’s emergence in the public consciousness as a feisty underdog skillfully running circles around a big bully who

only knows one response: massive retaliation. A telling sign of the times in Bangkok and many other cities in Southeast Asia is the way young people are snapping up bin Laden T-shirts, and not only for reasons of novelty.

ANGLO-SAXON BROTHERHOOD

CNN images of US President George Bush, Prime Minister Tony Blair, and US Secretary of State Colin Powell ticking off the latest statement of support for the US mask the reality that Washington and London are losing the propaganda war. Their effort to paint the military campaign as a conflict between civilization and terrorists has instead come across as a crusade of the Anglo-Saxon brotherhood against the Islamic world. So jarring has British Prime Minister Tony Blair’s public relations drive to make Britain an equal partner in the war effort that the foreign minister of Belgium, which currently holds the presidency of the European Union, has felt compelled to criticize Blair for compromising the interests of the EU.

In the aftermath of the September 11 assault, a number of writers wrote about the possibility that that move could have been a bait to get the US bogged down in a war of intervention in the Middle East that would inflame the Muslim world against it. Whether or not that was indeed bin Laden’s strategic objective, the US bombing of Afghanistan has created precisely such a situation. Moderate leaders of

Thailand’s normally sedate Muslim community now openly express support for bin Laden. In Indonesia, once regarded as a model of tolerant Islam, a recent survey revealed that half of the respondents regard bin Laden as a fighter for justice and less than 35 per cent regard him as a terrorist.

The global support that US President George Bush has flaunted is deceptive. Of course, a lot of governments would express their support for the UN Security Council’s call for a global campaign against terrorism. Far fewer countries, however, are actually actively cooperating in intelligence and police surveillance activities. Even fewer have endorsed the military campaign and opened up their territory to transit by US planes on the way to Southwest Asia. And when one gets down to the decisive test of offering troops and weapons to fight alongside the British and the Americans in the harsh plains and icy mountains of Afghanistan, one is down to the hardcore of the Western Cold War alliance.

TRANSLATING GUERRILLA WAR TO A GLOBAL SETTING

Bin Laden’s terrorist methods are despicable, but one must grant the devil his due. Whether through study or practice, he has absorbed the lessons of guerrilla warfare in a national, Afghan setting and translated it to a global setting. Serving as the international correlate of the national popular base is the youth of the global Muslim community, among whom feelings of resentment against Western domination were a volatile mix

that was simply waiting to be ignited.

The September 11 attacks were horrific and heinous, but from one angle, what were they except a variant of Che Guevara’s “foco” theory? According to Guevara, the aim of a bold guerrilla action is twofold: to demoralize the enemy and to empower your popular base by getting them to participate in an action that shows that the all-powerful government is indeed vulnerable. The enemy is then provoked into a military response that further saps his credibility in what is basically a political and ideological battle. For bin Laden, terrorism is not the end but a means to an end. And that end is something that none of Bush’s rhetoric about defending civilization through revenge bombing can compete with: a vision of Muslim Asia rid of American economic and military power, Israel, and corrupt surrogate elites, and returned to justice and Islamic sanctity.

LOST OPPORTUNITY

Yet Washington was not exactly without weapons in this ideological war. In the aftermath of September 11, it could have responded in a way that could have blunted bin Laden’s political and ideological appeal and opened up a new era in US-Arab relations.

First, it could have fore-sworn unilateral military action and announced to the world that it would go the legal route in pursuing justice, no matter how long this took. It could have announced its pursuit of a process combining patient multinational investigation, diplomacy, and the em-

ployment of accepted international mechanisms like the International Court of Justice.

These methods may take time but they work, and they ensure that justice and fairness are served. For instance, patient diplomacy secured the extradition from Libya of suspects in the 1988 bombing of a Pan Am jumbo jet over Lockerbie, Scotland, and their successful prosecution under an especially constituted court in the Hague. Likewise, the International Criminal Tribunal for former Yugoslavia, set up under the auspices of the ICJ, has successfully prosecuted some wartime Croat and Serbian terrorists and is currently prosecuting former Serbian strongman Slobodan Milosevic, though of course much remains to be done.

The second prong of a progressive US response could have been Washington's announcing a fundamental change in its policies in the Middle East, the main points of which would be the withdrawal of troops from Saudi Arabia, the ending of sanctions and military action against Iraq, decisive support for the immediate establishment of a Palestinian state, and ordering Israel to immediately refrain from attacks on Palestinian communities.

Foreign policy realists will say that this strategy is impossible to sell to the American people, but they have been wrong before. Had the US taken this route, instead of taking the law—as usual—in its own hands, it could have emerged as an example of

a great power showing restraint and paved the way to a new era of relations among people and nations. The instincts of a unilateral, imperial past, however, have prevailed, and they have now run rampage to such an extent that, even on the home front, the rights of dissent and democratic diversity that have been one of the powerful ideological attractions of US society are fundamentally threatened by the draconian legislation being pushed by law-and-order types like Secretary of Justice John Ashcroft that are taking advantage of the current crisis to push through their pre-September 11 authoritarian agendas.

NO WIN SITUATION

As things now stand, Washington has painted itself into a no-win situation.

If it kills bin Laden, he becomes a martyr, a source of never-ending inspiration, especially to young Muslims.

If it captures him alive, freeing him will become a massive focus of resistance that will prevent the imposition of capital punishment without triggering massive revolts throughout the Islamic world.

If it fails to kill or capture him, he will secure an aura of invincibility, as somebody favored by God, and whose cause is therefore just.

As Tom Spencer, a policy analyst of Britain's Conservative Party, has observed, bin Laden has been turned into a "Robin Hood."

September 11 was an

unspeakable crime against humanity, but the US response has converted the equation in many people's minds into a war between vision and power, righteousness and might, and, perverse as this may sound, spirit versus matter. You won't get this from CNN and the New York Times, but Washington has stumbled into bin Laden's preferred terrain of battle.

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CRISIS IN WTO TALKS!

by Aileen Kwa*

GENEVA—

The US and EU, as well as the WTO Secretariat, are showing desperation in their attempts to ram through a new round of trade negotiations with a host of new issues by the WTO Ministerial on 9 November even though more than half of the members remain totally opposed to new issues being brought in.

In Geneva as well as in capitals, we are seeing the majors resorting to a variety of underhand tactics - from Super Green Room meetings (such as the mini-Ministerial held in Singapore) to spreading false rumours that key developing countries have changed their positions and manipulating the media to project a different reality from what is actually happening in the WTO.

WHAT'S GOING ON?

The first draft of the Ministerial Declaration was circulated to members on 26 September. In the run-up to, and since its release, intense closed-door, small-group consultations of 20-25 members have been taking place on various issues of contention. While it is true that more informal General Council meetings have been held to then brief the majority of the outcome of these consultations, the fact remains that the language for the Ministerial draft has emerged as a result of the views of those present in the Green Rooms and does not reflect the views of the majority, including the LDCs and the African Group.

Two mini-Ministerial meetings have already been held. One at the end of August in Mexico and another in October 13-14 in Singapore. Both meetings had about 20-21 Member countries as participants. In both cases, some countries who had not been invited tried to obtain an invitation, but were unsuccessful. According to a delegate from an African country who tried to go to Singapore, the reply when he contacted the WTO Secretariat was that they were not hosting the meeting and therefore were not able to send him an invitation. When he tried the Singapore mission, they told him that they were only co-ordinating the meeting, and were not in a position to send out invitations.

The Chair of the General Council, Stuart Harbinson of Hong Kong, had initially thought of releasing a second draft after the Singapore meeting. Probably in order not to anger those who were not invited to the Singapore meeting this decision has since been changed. The game plan now is that a second text of the declaration will be released at the end of next week (about 26 October).

The strategy seems to be that the US and EC are trying their utmost to get a consensus with the

group of 20-25 countries in the Green Room-type consultations on the text, and then presenting it to the others on a take-it or leave-it basis, with the use of threats on various levels to isolate and pressure countries into acquiesce.

To date, the positions are still far apart. The majority of developing countries who are excluded from most of the small group consultations - the LDCs, African countries and others, have made their positions known at the General Council meetings.

However, the media has been used effectively (especially during the Singapore meeting) to portray the impression that sticking points have been resolved. One developing country delegate lamented "All this is part of preparing the psychosis for a new round."

There is also a lot of confusion on the exact status of negotiations. At a briefing early this week for all members on what happened in Singapore, some delegates commented that the version they were hearing was entirely different from their impressions from press reports.

DEAF TO DEVELOPING COUNTRIES' CONCERNS

While developing countries' mantra have been 'implementation!' and 'no new issues' for the past three to four years, the state of negotiations reflect nothing of this. Further-

more, the work on TRIPS and health at the WTO this year, including the proposal by about 50 developing countries that nothing in the TRIPS agreement should prevent members from taking action to protect public health, is currently being stonewalled.

CARROTS AND STICKS

While more than half of the WTO members are saying an absolute "no" to introducing rules on investment, the Green Room negotiations have continued discussions and drafting of language on what types of investment agreements should be brought in. There seems to have emerged two options: one, an opt in-opt out approach, whereby all members negotiate an agreement and then decide towards the end if they want to join in, and two, a two-step approach, whereby discussions continue, but with a clear mandate that negotiations commence at the 5th Ministerial.

According to one delegate who attended the investment informal General Council meeting after the release of the draft declaration, Malaysia's representative had said that for his country, even the second option was problematic. To the speaker's annoyance, his comment was met with laughter by those at the meeting, to which he retorted, "Let's see who's going to get the last laugh." Referring to the laughter, the delegate I spoke to said, "With this kind of atmosphere,

you can imagine the kind of brow-beating that is taking place now.”

At present, the developing country Cairns Group members – mainly Latin American countries, and Thailand and Philippines are not actively refusing investment rules. The speculation in Geneva is that they have accepted investment since agriculture is their main interest. They seem to be taking the view that a new round would at least guarantee them an end to the agriculture negotiations, and possibly with better results. Without the round, the mandated negotiations in agriculture are unlikely to go very far, and may not even have an end date in sight. Others though feel that even when the Cairns Group agrees to new issues, they will not get the agriculture markets they want. “The EU will only reduce subsidies when they are ready to, not when they get a new round,” remarked an agriculture negotiator.

During the Uruguay Round, services was included in the final package through the same opt-in, opt-out strategy. Members in Punta del Este agreed to a single undertaking – meaning that all agreements would be negotiated and concluded at the same time. However, the option was left open for developing countries to decide if they want to sign on to services at the end. Half-way through the Uruguay Round, however, the meaning of

‘single undertaking’ was manipulated and changed by the US and EU. According to them, all members would have to accept all, or nothing, of the outcome of the entire package of negotiations. This could well happen if this approach is adopted with investment and competition.

‘FRIENDS OF THE DEVELOPMENT BOX’

There is speculation in Geneva that the agriculture text was largely drafted by the US – not a hard guess since they also expressed the most satisfaction with it.

In their draft, the US seems to have brokered the two polarised groups in the agriculture negotiations – the EU on the one hand, wanting agriculture to be treated differently from industrial goods, and Cairns Group on the other, aiming at complete liberalisation of the sector.

Agriculture is usually the sticking point in WTO negotiations, but there seems to be some satisfaction with the agriculture text presently available. One Southern delegate said, “It’s a balanced text. Don’t get me wrong, this is not what I want. But there is some satisfaction and some dissatisfaction for all sides.”

However, in contrast, other developing countries remain unhappy with particularly a group which had, in June 2000, submitted a paper on ‘The Development Box’

(G/AG/NG/W/13) and had subsequently followed this up by various informal proposals this year. Calling themselves ‘Friends of the development box’ they are currently lobbying to include specific reference to a development box in the text on agriculture in the declaration. Countries in this grouping include Cuba, Dominican Republic, El Salvador, Honduras, Kenya, Nicaragua, Pakistan, Senegal, Sri Lanka, Uganda and Zimbabwe. Their vision is to create a ‘third force’ in the agriculture negotiations. They want their proposals taken on board in negotiations. They also want to ensure that agriculture negotiations are no longer dominated by the EU, Cairns Group and US.

The provisions in this box aim to provide developing countries with flexibilities in border measures and domestic support measures to protect the rural livelihoods of their small farmers, as well as protection of staple crops from dumping.

Specific reference to the development box in the declaration is important for them since, despite their active participation in current WTO negotiations on agriculture, their requests for a development box have been politely received and subsequently ignored by the powerful countries. Should there not be a clear mandate for this box in the declaration, their recommendations in the past two years may well drop off the

table. The secretariat has also actively discouraged proposals along this line. They tried to dissuade one developing country who wanted to add their name to the paper some months after it was first presented last year. They also told another signatory of the paper that they were “asking for the moon.”

US / SWITZERLAND REFUSE TO GIVE ON HEALTH

TRIPS and public health has been an issue which has united a good majority of the developing countries. They have pushed hard for a separate declaration to be endorsed at the coming Ministerial. Hours upon hours of consultations on this issue have taken place in the recent weeks, but with no positive results. The ones holding up the process are the US, Switzerland, and lately Canada. The situation has been characterised as being in logjam. Even the title of the declaration has not been agreed to, much less the content. Developing countries want a declaration on TRIPS and Public Health while the US wants to narrow it down to TRIPS and HIV.

One African delegate, feeling worn down by the process commented last week: “We are meeting everyday from 3–6pm. It’s like torture. We are not in a position to defeat them. For every argument which we put forward, they have a counter argument, and it is not so the other way round. They have

lawyers that have worked on IPR issues for 30 years, and they try to defeat us on language. Something that looks OK to us, ends up to be more restrictive (than the existing agreement).”

Another delegate, also from an African country said that the group of developing countries working on this issue is very disappointed. “The other side wants to impose more conditions. What we agreed on was to clarify flexibilities existing in the TRIPS agreement. We didn’t ask for it to be amended, only clarification, so we have a common understanding. We haven’t made any progress in the discussion so far. We are still where we were in June, restating the same thing.”

“I blame the Secretariat,” he said. “We had already given our proposal about the way the declaration should look like. The other side also gave their own version. What the secretariat should have done was to put the two texts together. Instead, we are starting from zero. When we talk about parallel imports, they bring in article 28 on patent rights. They are also trying to diminish article 6 on flexibility and subordinate it to article 28, when it should be the other way round’

ENVIRONMENT - THE DEAL BREAKER?

The EU has unexpectedly pushed hard for new rules on environment, in areas on WTO rules and

the relationship with multilateral environmental agreements, the precautionary principle and labelling. They are attempting to appease developing countries’ opposition by offering a two-stage approach, an initial work programme to clarify rules in the Committee on Trade and Environment, eventually leading to negotiations at the 5th Ministerial.

Opposition however continues to be quite high. EU in a Green Room meeting before the Singapore ‘mini-Ministerial’ had appealed to Members to understand that this was political problem with their domestic constituency. In reply, one of the South-east Asian countries retorted that the EU should then find a political solution, rather than an operational one which that country cannot live with.

Informal reports on the outcome of the Singapore ‘mini-Ministerial’ are that the Cairns group, which initially had opposed environmental rules for fear of protectionism in agricultural products, seemed to show signs of buckling down. The majority of developing countries however, are still holding out their opposition. Given how the WTO essentially works for the interests of corporations, many developing country members are certain that while there may be good intentions on the part of those pushing for rules, the implementation would certainly be used opportunistically to protect markets.

DEVELOPING COUNTRY DELEGATES ANGRY ABOUT BULLYING TACTICS

With so little demand for a new round by the majority of members, yet with the powerful countries desperate to push their agenda through, it is not hard to imagine that a host of underhand tactics are being used to force agreement, rousing anger and frustration amongst developing country delegates.

A representative of a Caribbean country in charge of agriculture for instance, had initially thought that the process of consultations for this Ministerial was fairly transparent compared to the last. This was until she heard that an agriculture text had emerged out of the blue without her participation or knowledge.

According to another delegate, an ambassador of a transition economy had wanted to attend a green room meeting on agriculture. He called up the WTO Secretariat, who promised that an invitation would be sent to him. He never received one.

Frustration towards the Secretariat is also surfacing. An African LDC delegate, talking about the reference in the declaration on LDCs asked: “Who is doing the drafting, the language which we don’t like and which we oppose every time? It is the Secretariat. Is he our friend? He is the director of the LDC division in the WTO, but does he have

our interests at heart? Has he ever phoned me while drafting, to ask me if the language makes sense to me before it is on paper?”

Elaborating further on the process of consultations and drafting, he said, “What is basically happening is that we are negotiating with the Secretariat. The Chair does not sit and draft. He consults, but it is the Secretariat who writes. How representative is it (the Secretariat)? There is too much of Secretariat driving the process. Why do members have to leave such important things to the Secretariat? Why is the Director General allowed to behave like a member?”

Recounting his recent experience at a WTO meeting on LDCs and a proposal on the Integrated Framework, he commented, “We (LDCs) said we haven’t studied it (the proposal presented by Secretariat). But it was adopted. I wanted to make changes, but we were told there is no time. There is a propensity by the Secretariat to introduce things just there and expect you to endorse. But when it concerns developed countries’ interests, they say: ‘We have to refer to capital. We have just received it today’. They are rushing us. They want to make sure that the things which are not in their interests are pushed through quickly. But on their part, they want more time.”

Many delegates are also

concerned about the bilateral pressure that is put on their countries. Another African delegate had this to say on the matter: "Everybody says rules are important to poor countries, but the bilateral pressure they are using now is more powerful than the rules. If I speak out too strongly, the US will phone my minister. They will twist the story and say that I am embarrassing the United States in the WTO. My government will not even ask, 'What did he say?' They will just send me a ticket tomorrow."

He went on to elaborate how the powerful countries use bilateral pressure to instill fear, effectively silencing the majority. "It has worked and it works. That's why a bigger number don't speak. Why am I so fearful? I fear that bilateral pressure will get me, so I don't speak, for fear of upsetting the master. To me, that threat is real. Because I am from a poor country, I can't say what I want."

Convinced that the power-riddled WTO is more negative than positive for countries like his, he said: "I don't like watching (developing countries) being cheated. At the end of the day, maybe it would be better for us to leave the WTO alone, go back and develop. Only when we have done that, then come back and join the WTO. It cannot be used as an instrument for development."

"THE CRISIS NOW WORSE THAN PRE-SEATTLE

Why is the current situation more critical than that before Seattle? Even though there remains opposition, the stonewalling by developed countries is creating a dangerous scenario. By next week, it is likely that countries are basically pushed to the wall and either have to reject the declaration outright, or are silenced into accepting another raw deal.

There are several reasons for this more critical situation.

First, the Secretariat and developed countries have learnt from the Seattle experience. The 33-page draft consisted of positions of all groups on all issues, but was eventually impossible to bridge. The current draft is a much cleaner text with only a few brackets. The impression it gives then, is one of consensus even though the text is opposed by many. During hard negotiations, however, there is considerably less room for developing countries to dissent. The argument that it is a finely balanced draft and that any substantial change will unravel the entire process of negotiations will be used to dissuade countries from making any significant changes. Their only other option of rejecting it in entirety could be too strident a position for most to take.

Secondly, the impact of the political climate after

11 September cannot be underestimated. Negotiations on this 'grand coalition' have spilt over into the trade arena. There is sentiment in Geneva that Zoellick's rhetoric - a new round is needed to counter terrorism - is, as one diplomat commented, descent to the "lowest depths of trade diplomacy" he had ever seen. Yet it has been effective. Another government representative said: "It has been used very effectively by proponents to silence others. The atmosphere has changed. It has created a kind of wave so that fence-sitters have changed sides to take the easy option."

But a third and perhaps the most important reason is that the US and EU, unlike in Seattle, have joined hands and agreed even on the traditionally contentious issues such as agriculture. With their joint political might, opposition to a new round has become almost impossible. For example, Latin American countries (particularly those in the Cairns Group) which would not have agreed to only an EU-led effort on a new round, are relenting. US' pressure on them has been crucial.

There seems to be two different processes taking place at the WTO. One with those included in these Green Room meetings, and another, amongst those who are opposing and excluded. For the latter, things remain as they were in July / August this year.

The majors are counting on their political might to pressure this second group - mostly LDCs, African group, the Caribbean countries and a few Asians - in the coming fortnight.

It is difficult to predict what the final outcome of the Ministerial might be, and this one with the added complication of the confusion and political sensitivities over the choice of venue. One thing is for sure though - developed countries have learnt nothing from Seattle, other than to sharpen their strategies in pressuring and stonewalling developing countries. In the process, they are unveiling the ugly power politics crippling the multilateral trading system, which will result in grave implications for most of the developing world.

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Square Pegs in Round Holes: The World Trade Organisation and Democracy

by Shalmali Guttal*

(Prepared for the Workshop
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The World Trade Organisation (WTO) is founded and maintained on many myths. The most all-pervasive myth is that the WTO upholds and promotes free trade for all countries through a rules-based, multilateral trading system. In truth, the trade regime enforced by the WTO is hardly free, nor are the rules of this system favourable for developing countries. The WTO has facilitated unfettered, global economic and political expansion by a handful of rich and powerful countries, who use trade as political instruments with impunity (in another time and era, this would be called imperialism).

An equally misleading myth is that the WTO is democratic. On the contrary, from the very process of its establishment to its current rules of operation, the WTO is fundamentally undemocratic, both internally and externally. Despite numerous attempts by both government and non-government actors in the developing world, power imbalances within the WTO remain deeply entrenched.

Internally, the WTO does not provide an equal

platform for all its member countries to represent, negotiate and defend their trade and development interests. Decision making within the WTO is dominated by the QUAD countries: the United States (US), the European Union (EU), Canada and Japan. Next in the pecking order are the rest of the G-7 and OECD countries. And at the fringes sit the developing countries who, despite good faith efforts to build a genuinely multilateral trading system, continue to remain at the periphery of decision making more than six years after the establishment of the WTO.

Externally, WTO rules and agreements do not come under the scrutiny of national parliaments or other democratically elected bodies. Nor are they subject to public debate and assessment by genuine multi-stakeholder processes or bodies. Although trade delegates at the WTO are appointed by national governments, the WTO acts as a supra, global government, but without the system of checks and balances required to render it publicly accountable and responsible. The WTO's relationship with civil society organisations (CSOs) in both the North and the South has been ad hoc at best and centred around tightly structured meetings

where CSOs have little voice in the institution's official deliberations. In contrast, private corporate entities, particularly from the North, find themselves well represented in the WTO through their respective national delegations and other avenues for advocacy that ensure their interests in trade negotiations.

The WTO Secretariat, in its composition, is not representative of the WTO's member countries. It is also not impartial in the interests it promotes. Most Secretariat staff are from developed countries and this is reflected in the intellectual and political culture of the work of the WTO. Despite the fact that they are not supposed to represent any country, Secretariat staff have shown their partiality in how they organise, schedule and run meetings, the content they put in reports and papers, and even in the advice they give to developing countries regarding WTO operations. Like their counterparts in the International Monetary Fund and the World Bank, WTO Secretariat staff are international bureaucrats without a clear or visible system of accountability and responsibility.

For several years now, CSOs, peoples' movements and local-national

elected officials all over the world have questioned the growing power of the WTO, especially in its ability to override national laws and regulations. Some WTO agreements also contradict existing UN human rights goals and conventions. In mid-August this year, the UN Sub-Commission on Promotion and Protection of Human Rights called for an independent and comprehensive study of the impacts of economic globalisation and certain trade agreements on human rights. In particular, the Sub-Commission highlighted the agreement on Trade Related Intellectual Property Rights (TRIPS) and the General Agreement on Trade in Services (GATS), both of which threaten existing conventions such as the UN Convention on Biological Diversity and the International Covenant on Economic Social and Cultural Rights. The Sub-Commission recommended that national governments and multilateral institutions immediately undertake detailed studies to assess the impacts of TRIPS and GATS on the universally accepted rights of all peoples to health, education, food, housing, work and self-determination, and the promotion of ecologically sustainable technologies among all countries.

INSTRUMENTS OF COERCION

At the heart of decision making in the WTO is the so-called process of “consensus,” which has

been systematically abused to render it a process of coercion. Voting, although technically permitted has rarely been used in the WTO. Nothing moves in the WTO without consensus, and even crucial decisions related to food sovereignty and the pricing of AIDS drugs can be blocked by those for whom commercial interests are more important than questions of life and death.

Consensus in the WTO is not based on principles of equity and fairness, or on a commitment to open and inclusive process. On the contrary, it implies a process by which the priorities of a majority can be subsumed under the interests of a minority through political manipulation, bullying, backroom deals, and even threats.

These rules of consensus work well for more powerful members, who have the capacity to develop proposals of interest to them and negotiate deals with reluctant counterparts to win their support. But for those with less power—which includes most developing countries—the rules of consensus place them in a perpetual position of opposition and leave them vulnerable to manipulation and domination by the more powerful members. Many developing countries have made proposals that simultaneously defend their own national interests and advance a more open and equitable trading

arena. But these proposals are either ignored by the rich countries or sidelined through deals with less powerful members. Rich countries give nothing away in negotiations unless they can exact a suitable price from their weaker counterparts. At the same time, they usually find ways to win support for their own proposals by offering developing countries benefits in specific areas.

For example, over the past three years, many developing countries have put forward proposals to address the imbalances and shortcomings in key agreements including Trade Related Intellectual Property Rights (TRIPs), Trade Related Investment Measures (TRIMs), Anti-dumping, Subsidies and Countervailing Measures, Textiles, and the Agreement on Agriculture (AoA) that have been carried over from the Uruguay Round (also called implementation issues). Although these issues have been on the table for several years, the rich members now argue that they can only be addressed in the framework of a new round. This position is defended by Mike Moore, the WTO's Director General, who has argued that "... dwelling on the perceived injustices of the past does nothing to prevent even greater injustices in future."

Unfortunately, Moore is unable to offer credible suggestions about how a new trade round will prevent greater injustices

in the future. Agreeing to a new round means that developing countries would have to agree to further liberalisation commitments in exchange for implementation of past promises, thus increasing rather than decreasing the trade imbalances between developed and developing countries. This was pointed out by Pakistan's Ambassador Munir Akram when he asked, "Are the major trading partners politically incapable of responding to the main implementation concerns of the developing countries?... Alternatively, are they holding back their responses on implementation issues mainly for tactical reasons, in order to extract concessions from developing countries on their ambitions and objectives for Doha?"

A common tactic used by delegates from developed countries—particularly the US and the EU—is to harass developing country delegations by using other policy conditionalities to elicit consent for their proposals. Official Development Assistance (ODA) and bilateral trade agreements that already exist outside the WTO can be called into question or put on hold if a developing country delegate does not "behave" well. The trade office of a rich and powerful country even has the clout to move trade delegates from less powerful countries to other posts, should they be seen as obstructing the interests of the richer country.

The obstacles to democratic process and internal transparency posed by informal consultations and Green Room negotiations in the WTO are already well known. Despite admissions by senior trade delegates from the US, UK and EU that the exclusionary and manipulative nature of Green Room-type consultations resulted in the collapse of the Seattle Ministerial meeting in December, 1999, the WTO Secretariat is unwilling to make any significant changes to its decision-making procedures. The practices of exclusive, informal consultations and negotiations continue, and conclusions made by delegates from selected countries continue to be presented as consensual agreements by all delegates. The WTO Secretariat has argued that it is necessary to organise consultations by invitation since large groups would impede the efficiency of decision making. However, most developing country delegates—who are usually not invited to these consultations—cannot accept closed room decisions unless they can be shown to be fair and beneficial to the countries they represent.

Another practice that continues without change is that declarations are drafted and presented to delegates without previous consultation with them. Often, these drafts do not reflect the priorities of the majority of the WTO

membership. Not surprisingly though, these declarations do reflect the priorities of the QUAD and other OECD countries with the consent of perhaps a handful of developing countries, whose inclusion extends undeserved legitimacy to this process.

For example, the recently released draft of the Declaration for the WTO's upcoming Fourth Ministerial meeting does not address developing countries' priorities of implementation issues, Special and Differential Treatment (S & D), market access, and reviews of TRIMs, TRIPs and GATS. Nor does the draft reflect concerns raised by CSOs regarding the WTO's rules and operations and deficiencies of the multilateral trading system, which have caused serious problems in areas such as food security, health, employment, bio-piracy, and local livelihoods.

The draft declaration praises the role of the WTO regime in promoting growth and alleviating poverty. But it does not acknowledge that existing imbalances within the system close off options for smaller countries to gain from the assumed benefits of free trade. Similarly, the draft does not discuss the need to bring development into the centre of the WTO's agenda. Instead, it promotes new issues such as competition, investment policy, government procurement, trade facilitation, etc. Despite clearly

stated positions by most developing countries that they are unwilling to go into a new round until past issues of implementation and decision-making are addressed, the draft declaration favourably positions the launching of a comprehensive new round with an open agenda.

THE MANIPULATION OF CONSENT

For many of the smaller developing countries and the Least Developed Countries (LDCs), participation in the WTO is hampered by challenges in technical, institutional and economic capacity. Most of these countries have small delegations at the WTO, limited communication with their capitals, and are ill equipped to deal with the daily round of simultaneous meetings and consultations. With sometimes as many as five to six meetings per day, delegates from these countries either cannot attend all the meetings, or if they can, they are unable to participate effectively out of sheer fatigue. Many delegates have also expressed unfamiliarity with key issues under discussion. They have repeatedly requested more time and technical support to consider the strategic implications of specific proposals and discuss them with their national capitals.

But neither the time to consider, nor timely technical support are as forthcoming as promised by the major players at the WTO. Technical support from the Secretariat is usually

biased in favour of the positions of developed countries and it is difficult to get adequate support for alternative analyses even if a significant number of members require it. Timelines for responses to new agendas are also biased in favour of developed countries since delegates from these countries have greater contact with secretariat staff and can respond much quicker to new timetables. More often than not, delegates from smaller countries are just herded along until they agree, or until their views can be sidelined .

This is in sharp contrast to delegations from developed countries who have many more staff in their delegations, experts on every agreement and well developed communication facilities between Geneva and their capitals. In fact, negotiation and decision-making processes in the WTO are deeply biased in favour of the capacities of developed and richer countries.

Smaller delegations are also at a disadvantage when it comes to procedural matters. More often than not, it is not delegates from their countries or regions who are appointed as Chairs or Vice-Chairs of committees and meetings, but those from the US, EU or other, relatively well-off countries. Delegates have also complained that they are practically blackmailed by more powerful countries to agree to resolutions, or extend themselves beyond

existing commitments through "carrots" and "sticks." The "sticks" can include threats to cut off market access, quotas, aid, debt relief, etc.; similarly, carrots can include offers of visas, market access and aid.

INSTITUTIONAL DEFICIENCIES

Developing country delegates have pointed out time and again that the WTO is institutionally deaf to their main concerns. In addition to appropriate attention to implementation issues, developing countries have also called for assessments of key agreements (such as TRIPs, TRIMs and GATS) before further negotiations proceed. However these proposals have been more or less stonewalled by the Secretariat and developed countries. The WTO Secretariat has also manipulated past assessment processes to satisfy the agendas of more powerful members.

A good example here is the stocktaking process of the first phase of work on the AoA, that took place in late March this year. Although two days were set aside for the stocktaking, only one morning was used for the process and a pre-prepared work programme for Phase Two was adopted with little discussion at the end of the morning. Much of the "stock-taking" had already been conducted in Green Room-type consultations beforehand. Many developing country delegations had actively participated in the earlier

phase and submitted a range of analytical papers and proposals on agriculture trade. However, their analyses were not brought into the stock-taking process and their concerns were marginalised in the agenda for the Phase Two work programme. Dissatisfied delegates at that meeting were able to effect few changes in the work-programme since the Chair of the Special Session told them that substantial changes would lead to the EU and Japan stalling the entire process.

The WTO's institutional deafness is accompanied by selective listening and selective reporting. Delegates from LDCs and other developing countries claim that the WTO Secretariat does not accurately report the substance of discussions in meetings and reviews. Mis-reporting is evident in the overly optimistic and "non-factual" reporting by the Chair of the General Council on implementation issues, as well as attempts by the Secretariat to portray consensus on a new round of trade talks. In response to a report by the Secretariat for a "reality check" on delegates' thinking about the upcoming Doha meeting, an African delegate privately remarked that the report was "not a reality check. We do not think it reflects what went on in the consultations. It is quite unbalanced in the way weight is given to one position over another."

Delegates from countries such as Malaysia, India

and Pakistan, the LDCs and the Africa group have pointed out that the draft Declaration does not fairly reflect the differing positions of delegates on various issues. Developing countries have insisted that the WTO stay within its core mandate of multilateral trade and not enter into the realm of labour or environment where it has neither the expertise, nor legitimate authority. These calls, too, have fallen on deaf ears as developed countries continue to push for new non-trade issues to be brought into WTO negotiations to serve their current needs and interests. Despite clear opposition by developing countries, the draft declaration carries language that opens the door to labour and environment linkages.

TRADE IN A TIME OF TERROR

Since the September 11 attacks on the World Trade Centre (WTC) and the subsequent "war on terrorism" launched by the US and the UK, advocates (especially among the EU and other wealthy countries) for a new round of trade talks in the WTO have gathered extra steam. They squarely equate the launch of a new trade round with the fight against terrorism and the promotion of modern, democratic values. Before September 11, the litany in support of a new round was "trade is good for the poor;" now, it is "trade is the weapon against terrorism." Robert Zoellick, the US Trade Representative was quick on the draw.

Soon after the attacks on the WTC, he outlined the complex system of carrots and sticks that the US would use to ensure allegiance from key countries in its impending war. Not surprisingly, trade deals were central to the US counter-offensive strategy. The rest of the G-8 countries and even the United Nations needed little convincing to quickly follow suit.

Despite legitimate and well-founded opposition to the launching of a new trade round in the next ministerial meeting, developing countries are now being bullied to support a new round. While the support of some countries has been garnered through threats of economic isolation and sanctions, consent from others has been bought with promises of debt-relief, more IMF financing, increased ODA and new trade privileges. The WTO, the IMF and the World Bank are now explicitly and officially part of the US and G-8 counter-offensive against shadowy, changeable foes. This is not the work of democracy, but the work of Empire.

We are witnessing a new redistribution of privilege today, guided by the Bush-Blair reasoning of "You are either with us, or you are with the terrorists." This reasoning is being used by WTO advocates to silence all those opposed to a new round of trade talks—and is already showing results. Many developing countries are retreating from principled positions on a new

round because of concerns that they will be economically and politically isolated. Some CSOs have either completely abandoned, or significantly toned down their campaigns against the abuse of trade agreements by northern government and corporate entities for fear that they may lose their funding base and/or domestic support.

The explicit manipulation of the upcoming Ministerial meeting puts questions of democracy in the WTO in a new light. Genuine democratic values cannot be equated with trade liberalisation and advancing the commercial interests of a handful of wealthy, powerful countries. The WTO has a long way to go before it starts to resemble a democratic institution. To move this transition along, we—civil society—must oppose every non-democratic action pushed through the WTO. Of utmost importance now is opposing the launch of a new trade round.

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