

WTO summit failure: a view from Malaysia

by Ramon Navaratnam

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The failure of the World Trade Organization meeting in Seattle has opened the eyes of the world on the double-talk practiced by the rich industrial countries of the West.

On the one hand, they pushed the poor developing countries to open up their domestic markets and, on the other hand, these very same industrial countries wanted to protect their own markets, against competition from the developing world. What other evidence does the world need for double standards?

No wonder even the cautious UN Secretary General Kofi Annan has expressed his frustration. He stated at the World Trade Organization (WTO) Ministerial Meeting in Seattle that the industrial countries are threatening the livelihood of millions of poor farmers in the developing world, who cannot compete with the subsidized imports—of the industrial countries!

Responsible criticism

It is also shocking that at the WTO meeting, Joseph Stiglitz, the World Bank chief economist (who is now more critical since he has just retired from the World Bank), accused the industrial countries of "hypocrisy . . . for undermining the benefits of free trade by failing to offer developing economies the same openness they demanded from the poorer countries." These criticisms come from very responsible, and highly placed, international personalities, and cannot, therefore, be conveniently dismissed as "rhetoric," as most Western political leaders, diplomats, bureaucrats, and corporate leaders are prone to do.

Underlying the negotiations that took place at the WTO meeting in Seattle, was the deep concern among the developing countries that some very rich industrial countries want to continue to exploit and dominate the poor developing countries. They tried to do this by exacting concessions during the negotiations, between uneven teams, to maximize their benefits, even if it is to the detriment of developing countries.

That is why developing countries like Malaysia, are disillusioned by the Western tactics at the WTO meeting.

The previous Uruguay Round's agenda was not even completed. There are still a lot of outstanding issues that need to be resolved and implemented, in the interests of the developing countries. But the rich industrial countries, led by the United States, refused to settle those issues.

Instead, they chose new and extraneous issues, such as labor standards, environment, and access to government contracts, to advance their own narrow interests. These issues were actually "red herrings," that only made the developing countries see red. Some of these industrial countries were even playing up to their domestic political interests and wanted to gain internal political mileage by attempting to protect their workers against competition from the more hard-working labor force from the Third World.

The United States was stubborn in refusing to review its "anti-dumping laws." U.S. Undersecretary of Commerce for International Trade David Aaron said, "We're just not going to do it. We can't do it. We won't do it!" Only the Americans can talk like that and get away with it. What arrogance! This is because they use their power unfairly, and even crudely, to squeeze concessions, and even compliance from developing and weaker countries.

Unfair and undemocratic

In this sense, the WTO can be described as unfair and undemocratic. Ironically, the champions of democracy can be the most authoritarian when they fight for their selfish interests.

Thus, as Malaysia's Martin Khor reported, the developing countries, that make up two-thirds of the WTO membership, were "coerced and stampeded by the major powers," to agree to a declaration, without much consultation. In fact, they were kept out of the secret discussions that were carried out in what is called the "green room," among a few of the richest industrial countries. Only some compliant and indebted developing countries were cautiously informed of the "happenings" in these closed-door discussions. So much for democracy, equity, equality, and transparency.

However, I believe that it is good that this abuse by some industrial countries has been perpetuated, so that all the world can see through this brazen attempt to continue to exploit and dominate the Third World.

Although the WTO meeting in the United States broke down, there was victory for the developing countries and

the non-governmental organizations (NGOs) that came from both the rich and the poor countries.

Many powerful rich countries that are strongly influenced and supported by the big business interests in the West, had to give in to the pressure of the mass movements as represented by the NGOs, that have little say in the policy formulation of some powerful Western governments. These governments tend to pander to the interests of rich financiers, and to their election to high political office, rather than care for their poor.

These protesters had, therefore, no alternative but to demonstrate in order to be heard. So much so that, even in the United States, which claims to be the bastion of democracy, civil emergency and curfew had to be introduced and the National Guard had to be called out to save Seattle from further damage and destruction.

The rough-shod tactics of some governments, of the United States and some European countries, therefore, have failed miserably. This is a good lesson for them not to impose their will on the poorer countries and the meek and lowly, whether they come from among the industrial or developing countries.

As the Caribbean Community's Chief Negotiator and former Secretary General of the Commonwealth, Dr. Shridath Ramphal, told the press, all the talk of "transparency is hypocrisy and poppycock!"

The developing world owes a debt of gratitude to the NGOs and their leaders and, especially, to Brazil, Egypt, and India, which played leading roles in resisting the machinations of the powerful Western commercial interests in Seattle.

It was, after all, the vested interests of the likes of Boeing, the United Steel Workers, and Amazon.com, that the United States has been strenuously pushing, at the expense of developing countries.

Now that another large nation such as China is entering the WTO, we should see greater pressure on the large industrial countries for more reasonable consideration to be given to the interests of the developing countries.

The future

What should we do in the future, now that the Third WTO Ministerial Meeting has broken down, since they could not even agree on an agenda, for the Millennium Round of Negotiations?

The European Union's Trade Commissioner, Pascal Lamy, has rightly stated that the United States is to blame for the failure of the WTO meeting in Seattle. They could not even maintain law and order!

But, obviously, the Americans were playing to their own domestic political gallery, with the U.S. Presidential elections less than a year away. President Clinton, for all his achievements, is a lame duck. Thus, it will be difficult to start another WTO meeting before the U.S. elections in

November 2000.

In the meantime, there should be many informal meetings at all levels to review all the rules and regulations that have led the developing countries to believe that the WTO is skewed to benefit the rich at the expense of the poor countries. In short, the United States should note the need for "*reformasi*" at the WTO itself.

Reforms

First, the outstanding issues of the previous Uruguay Round of the General Agreement on Tariffs and Trade must be settled, before we can move forward.

- The powerful industrial countries like the United States should practice what they preach, by observing greater transparency and democracy in their consultations. They must take into account the welfare of ordinary people, rather than be obsessed with the mere profits of large corporations.

- As Malaysia's representative, Tan Sri Asmat Kama-luddin, pointed out in Seattle, Malaysia is pushing for a more "manageable agenda," one that can be completed in three years, instead of the seven long years that it took the Uruguay Round.

- To achieve free and fair trade for all countries, and not just for the rich countries, we need to allow the 48 poorest countries free access to the markets of the industrial countries.

- Furthermore, the low-technology, labor-intensive products of developing countries, such as agricultural products, leather goods, and textiles, should be given free access, or if that is difficult, then they should be charged only low import duties.

- At the same time, if the large and rich industrial countries are really sincere, they should withdraw their huge food subsidies, estimated at more than \$250 billion every year. This would reduce their excessive dumping of food, which destroys the livelihood of millions of farmers in the Third World.

Consequences

Unless the world's large, rich industrial countries show more wisdom, vision, and compassion, the international trading system will continue to benefit the rich at the expense of the poor.

This would surely lead to greater exploitation and deep resentment, which could lead to the final world war in the 21st century.

Will the leading rich industrial countries help build a wonderful 21st century where all mankind can live in peace, prosperity, and harmony, or will they continue to pursue the present path of avarice and ultimate destruction?

Only time will tell—but we *all* have to *rededicate* ourselves to seize the opportunities to build a greater and more glorious millennium, otherwise, we shall all lose out, or even perish.