The DOHA negotiations: What is really at stake?

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Is it the DDA, WTO or what?
Despite public announcements by trade negotiators that they do not see the talks resuming soon, there is a frenzy of activities and consultations around the need to save the stalled multilateral trade negotiations and to secure the place of the WTO in global governance. As well, despite public announcements from the WTO secretariat and trade negotiators on the need to use the stalled talks for reflection, there is less effort expended on examining how to really make the DDA or trade liberalization for that matter genuinely spur development for many poor countries and poor peoples in rich countries. The reflection so far is limited to what are the current bottlenecks and on what gains countries are willing or not willing to go away with. Some of us in this room, for instance, are insisting that we strategically examine existing bottlenecks as products of undelivered promises of the Uruguay Round. But I also feel that this perspective does not sit well with others among us who are more concerned with moving the negotiations forward within what they also see is a limited time for doing so! They would prefer, I believe, to focus on deal making in the here and now, as a matter of urgency.

Hence, the pressure seems to be focused on getting developing countries back to the Geneva negotiating forum as if it was their intransigence much more than that of the EU and the US that had caused the round to collapse. A tense and stalemated situation on the multilateral trade front is certainly on us, at the center of which are undelivered promises in and disagreements around a global agricultural deal and now tangled up in the so-called triangle of issues. Showing no political will to address the bottleneck, both the US and the EU have launched more aggressive bilateral negotiations around free trade agreements where WTO Plus concessions are being extracted. Other developed countries like Japan, Singapore, Australia have also started their own FTAs. This shift to WTO Plus bilateral, plurilateral and regional FTAs/RTAs is part of a deliberate move by liberalizers to shift the debate away from issues that are important to developing countries (such as Domestic Support) and toward the issue of market access for business firms. The EU now has a new more ambitious trade policy (Global Europe) and the US admits that a resumption of talks would benefit its express delivery providers, banks and telecommunications services (Bloomberg Oct 10 2006). Both want a major push toward a self regulating global market that private investors and business firms play an active role in.

Bilateral FTAs and RTAs have always been there as these are coherent with the overall WTO agenda, in fact, they provide important building blocks for a global free market. Developed countries will use bilaterals whenever it is convenient for them. The fact that they are doing so now does not mean that they haven’t used this as an instrument in the past when the WTO talks were still progressing albeit perhaps not
in the pace that liberalizers would want it to be. Just like the collapse of the MTS talks, we cannot say the emergence of FTAs happened overnight – we could see it coming, too! The point is: it is erroneous to pit the WTO with bilateral FTAs because in essence they are one and the same. They could co-exist and are co-existing. They are instruments of the same agenda.

In light of continuing assaults on market access, what developing governments and social actors can do is to persist in safeguarding the interests of food security, rural development and small farmers in the poorer regions of the world whether in the multilateral or bilateral fronts. Keeping the ordinary people’s interests in a trade agenda of the WTO is already an extremely limited governmental commitment to the majority of the world’s people who are rural citizens and small farmers. Giving it up would certainly move trade talks faster and deeper but it will also lead to disastrous consequences for the poor, many of whom are women, in many economies. The process of trade intensification in the global market cannot be drawn simply by the demands for market access by a few global players. For developing markets and newly emerged strong economies that are experiencing high levels of poverty, this means rapid and deep tariff cuts and immediate and full loss of domestic regulation space. The current impasse reflects these major threats and risks of many countries and societies, hence, the fight over the rules and the need for Lamy to propose putting the brakes on the talks.

Other than insisting that talks resume, what else can we do?
The stalled talks should provide governments and social actors with the opportunity to reflect more deeply on how to reverse the current emphasis on the requisites of free trade / market access to one in which trade is framed and tamed by the demands of rights and development. Papers such as the one on the role of SPs produced by Ivanic and Martin of the World Bank certainly do not help move the paradigm toward this direction. And rather than go for deals that are simply possible and practicable but which reflects a compact of unequal power relations and iniquitous distribution of resources and tensions or fragile consensus, governments of developing countries should fight tooth and nail at the trade negotiating table, for the social construction of a global market in which social and human rights are positioned above commercial rights.

We need to listen to the broader range of vital interests, not just to the interests of powerful industrial, service and finance corporations that have captured state power. “We” means not just the WTO and similar multilateral institutions but governments of both developed and developing countries. One of these voices is that of feminist economists who for the longest time have persisted in examining, deliberating and promoting the social reproduction challenge to a free trade regime. There are also a range of heterodox economists who see more viability in a ‘mix of policies’ in which government regulation and intervention has a role to play. Rather than be conditioned to think that “free trade is failing the poor because there is not enough of it,” we should be looking more seriously at what Nancy Folbre (1994) had called Imperfectly Rational, Somewhat Economic Persons or Institutions – “agents (that) pursue their self-interest in ways not neatly adjusting to clear-cut definitions economic rationality and ‘selfishness’ often leading, for example, to complex mixtures of behavior – from solidarity to competition or from altruism to selfishness – that are difficult to model even if they are more realistic” (Beneria 2003 p. 68).
This perceived complexity in the behavior of economic actors demands that we also have a complex of trade rules rather than a one size fits all set of rules whose basis reflects a compact of inequalities and which severely penalizes anyone who is unable to cope. Further that such complex of trade rules – whether regional plurilateral or bilateral or whatever form of preferential arrangements or economic partnerships – can be framed by an overarching rights and development set of rules whose acceptance is more universal and less controversial (although there are controversies here as well). What I am saying therefore is that the WTO if it were to remain a trade governance institution of one form or another, will have to thread under the UN Human Rights Council, for instance (and not just to work with them!) Coherence must be around rights; the existing Coherence Policy of the WTO-WB-IMF is a narrow programmatic and not an ethical framework for humanity. Nussbaum (2004) pursues the question of global justice by recommending a set of duties to various global structures that would guarantee humanity with a minimum set of capabilities and entitlements.

I also would like to take issue with the assertion made by friends that without the WTO the environment will be more uncomfortable for smaller economies. Certainly a regional grouping wherein smaller economies are linked up with a developed economy within a comfortable territorial proximity is more comforting for the former (ASEAN +3 or +6 is a grouping that can explored). The emergence of strong markets has certainly made this constellation of relations more feasible than it was in the past.

At the sphere of regional, sub-regional and other plurilateral forms, the socialization of a new political subject that is less dependent on a distorted sense of nationalism which is of late a product of reaction against economic globalization and unilateral war, will be supported by new processes and mechanisms. In this light, I am not going to press the red button on nationalism and survival of the fittest if and when the talks do not resume as some of our friends do.

Having said this, I must say that the alternative of regionals or sub-regionals is also quite problematic. To begin with most FTAs and RTAs that are being pursued everywhere hinge on WTO Plus commitments. We can of course imagine regional agreements as not just WTO Plus; it could also be Rights Plus. Or why couldn’t the WTO Plus also mean moving past the current WTO rules not in the arena of liberalization and market access but in the arenas of SPs, SSMs and S&Ds? Let’s get real though – we cannot expect this of our government negotiators. And it is here where social movements and civil society organizations have a major role to play, in terms of active citizens actions and claims on governments to be more accountable to the poor when it enters any trade or broader economic agreements. Subjecting economic agreements to ratification by parliament should also be supported. In brief, strengthening democratic governance to regulate trade so as to ensure that trade works for a country’s poor is a pre-requisite of a real alternative. It is not an outcome of more liberalization as the experience in Asia shows.