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WTO Doha Ministerial: "We Take Over"

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The day the World Trade Organisation (WTO) came into existence, on January 1, 1995, the *Indian Express* had carried a pocket cartoon on its front page. It showed two people walking amidst high rise buildings with huge billboards for popular multinational brands like Pepsi Cola, Coke, Philips, and McDonalds. The cartoon depicted one of the people walking down the street asking: "What does WTO stand for?" The other man replied: "We Take Over."

The explicit way the QUAD countries—the United States, the European Union, Canada, and Japan—bludgeoned their way into gains on virtually every issue on the agenda at the fourth WTO Ministerial, which ended at Doha recently, the world is certainly up for sale. The greatest tragedy of Doha is that the world's richest economies, which invariably swear in the name of democracy, used undemocratic norms and arms to force a consensus down the throat of developing countries. In the bargain, the autocratic process of takeover of the global economy puts at risk millions of people, especially women and children, without basic rights and opportunities, and hoping against hope.

Such was the urgency to bypass the WTO rules, repeatedly made since 1999, that the developed countries were not even remotely concerned with considering, let alone agreeing to and first implementing these, before launching a new round. Pushing aggressively on new issues on investment, competition policy, government procurement, and trade facilitation, the agenda was redefined, even if in a limited way for now, to ensure that the economic takeover of the developing world is complete in the years to come. To achieve this, the QUAD group followed in earnest the principle of divide-and-rule, something that colonial masters had so successfully used and abused. After all, it was not long ago that the sun never set on the British Empire. No wonder, the economic recolonisation through the WTO paradigm ensures that the sun never sets on the multinational companies!

Ever since the Uruguay Round was launched, developing countries have become accustomed to arm-twisting and high-handedness that comes in the name of trade and investment. The Doha Ministerial was no exception. But what surprised the world, including the civil society, was the defiant and valiant stand taken by the India. In fact, India's Commerce Minister, Mr. Murlisaran Maran, would have alone led to the failure of the Doha Ministerial if it were not for the last minute intervention from the Prime Minister's Office in New Delhi. That was clever politics—not trade and economics. On the other hand, it was purely based on Mr. Maran's strong conviction that the WTO is a necessary evil that he fought like a true soldier. He defied the global community by refusing to submit to unjust demands and pressures only to relent at the final, nerve-rattling moment and that too under strict orders from his General.

For the other developing countries that could muster enough political courage to stand up to undemocratic pressures, it was difficult to hold on to the final whistle. One by one they deserted India. Among these were Egypt, Malaysia, Tanzania, and finally Pakistan. Interestingly, the U.S. Commerce Secretary Grant Aldonis, reportedly offered to lower the restrictions on the import of bed sheets and pillowcases from Pakistan in return for its signing the draft text. In addition, he also indicated U.S. willingness to lift a 1998 quota on cotton yarn, even though the WTO had in April ruled that the U.S. quota on Pakistan's cotton yarn exports was illegal.

As to why no concessions were made on textile trade, the *Wall Street Journal* reports that in a recent letter to the U.S. President George Bush, 31 members of the Congress, including four Republicans, had stated that "the U.S. should make no further concessions in textiles and apparel in future trade agreements." As for America's antidumping rules, which protect domestic industries—such as steel—from foreign products, Senate Finance Committee Chairman Max Baucus was quoted as saying: "Why would we agree to this? What do we gain?" This is true not only for textiles. In fact, everything that has been negotiated and renegotiated at the successive WTO meetings, without exception, has been to the advantage of the rich trading countries. For the developing countries, all the WTO leaves behind are promises and promises galore.

Much is being made of the concessions wrested by developing countries on agriculture and medicines for public health. In fact, Mr. Maran too defends the decision to yield some ground on environment to gain substantially in agriculture. What has been incorporated now in the final agreed text is nothing new, but a mere reiteration of what has been spelled in the Agreement on Agriculture. By agreeing to "a phase out of agricultural subsidies," and to "take into account the development needs, including food security and rural development" QUAD countries are dangling a carrot before the developing countries. In reality, agricultural subsidies in the QUAD countries are on an upswing. The richest trading block, Organisation for Economic Cooperation and Development (OECD), provides the phenomenal support of U.S.$ one billion a day for agriculture. The U.S., under its new Farm Bill that is pending before Congress, has already promised its farmers an additional U.S.$170 billion in the next ten years.

Developing countries, and also the civil society groups espousing the cause of the farming communities in the South, are behaving like ostriches by refusing to read the writing on the wall. The mere mention of food security is no safeguard against heavily subsidised food imports, given the fact that developing countries, including India, have opened up their trade barriers by lifting the quantitative restrictions—whereas the massive subsidies in the west keeping on mounting. Unless the removal of quantitative restrictions is linked to the removal of agricultural subsidies in the west, food security in developing countries cannot be ensured.

Equally damaging is the landmark declaration on TRIPs and Public Health. To think that the decision to allow the production of cheaper generic drugs to meet any health crisis is historic, is to ignore the on-the-ground realities. It is here that even the civil society groups have fumbled. The sordid episode of the HIV/AIDS drugs that were requisitioned by South Africa from India and which resulted in the drug companies filing a court case against TRIPs infringement, is in reality the wrong case study. Why the Indian drug company was able to supply cheap generic version of the medicine was because India still does not have in place the new patent regime, along the lines of TRIPs. Once the patent laws are amended to conform to the TRIPs Agreement, Indian companies will be forbidden from producing any cheaper version of generic drugs. And once the production of generic drugs stops, from where will cheaper drugs be procured?

And still, we are being unabashedly told that international trade can play a major role in the promotion of economic development and the alleviation of poverty. We are being told that the WTO recognises the need for all our peoples to benefit from the increased opportunities and welfare gains that the multilateral trading system generates. What it does not tells us is that global trade is being aggressively pursued by the rich, industrialised countries to garner more economic benefits from the poor and marginalised societies. The new trade paradigm will eventually further the economic divide between the North and the South. It will not only usurp democratic traditions in the name of trade and sustainable development—as Doha has conclusively shown—but lead to the denial of human rights as well as economic and political freedom. Perhaps the underprivileged part of the world has to learn from what independent India's first Prime Minister, Jawaharlal Nehru, once said: "Freedom is in peril, defend it with all your might."

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