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| Jump-starting the WTO negotiations: Can the serial violators deliver? |

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| As this column noted last Sunday, despite including nations which earlier had staunchly championed the cause of poor countries, the G20 since leading the coordination of international efforts to tackle the global crisis has turned out to be like the G7 before it, a serial violator of its pledges to help poor countries. All monitoring reports that I have seen show that the Group is pushing ‘the juggernaut of protectionism.’ Their erection of trade barriers has seriously harmed poor countries’ exports to them. Some readers have asked me whether the G20’s repeated violations of pledges have been confined to their trade obligations. The answer is that I do not know. I have not come across monitoring in other areas similar to the level of professional monitoring of trade pledges covered in the Global Trade Alert’s two reports published since the crisis began a little over a year ago. I would hope similar work is being undertaken. Personally, I am keenly interested in the execution of the G20’s pledge to put in place stronger anti-money laundering standards to help stem the flood of looted funds from the treasuries of poor countries. In effect what the G20 has done is to task the inter-governmental body, which monitors and regulates global money-laundering (The Financial Action Task Force) to exhibit the same tight supervision of funds transferred by state officials as they do for suspected movements of terrorist finance. This week I shall conclude my discussion of the lessons to be learnt from international efforts to cope with the global economic crisis. The lesson that I least expected and which has disappointed poor countries and those that are concerned about their welfare the most is the G20’s emergence as a serial violator of its pledges. The direct consequence of this is that, with the reputation of the G20 at stake, there is no credible momentum behind efforts to the jump-start the Doha Development Round of multilateral trade negotiations started eight years ago (November 2001) and originally scheduled for completion at the beginning of 2005.  **WTO ministerial conferences** With their accompanying demonstrations, protests, riotous manifestations and violence, WTO ministerial conferences have acquired a remarkable notoriety. Heated public conflicts between globalizers, free-traders, neo-liberalists and anti-globalizers, anti-capitalist elements, in alliance with some poor countries have not been confined to verbal and written exchanges, but have frequently after spilled over into streets on the occasion of the WTO ministerial conferences. Six have been held so far since the WTO’s establishment in 2005: Singapore (1996); Geneva (1998); Seattle (1999) Doha (2001) Cancun (2003) and Hong Kong (2005).  Although the WTO rules specify that one should be held every two years none has been held since Hong Kong (2005). One is presently scheduled for November 30 to December 2, 2009 in Geneva. Previous ministerial conferences have been the place where breakthroughs in the negotiation process were planned. It is usually expected that with the presence of the responsible political ministers, if state officials are deadlocked, the ministers will clear these away. It was this method of operation that helped make ministerial conferences the focus of global attention. Fearful of a repeat of this experience, the Secretary-General of the WTO has urged, and it has been agreed that, the coming ministerial will not focus on the Doha Development Round negotiations per se but confine itself to the framework and context of operations of the WTO. In this regard the ministerial is planned to be part of the regular work schedule of the WTO and not a vehicle for negotiating the Doha Development Round. No one sincerely believes, however, that negotiations on the Doha Round will not take place at the informal and non-formal levels. No doubt the Secretary-General hopes that by utilizing this approach he can defuse expectations and thus more easily win support for the conference from those who are skeptical of the Doha Development Round. Many observers believe that the upcoming ministerial will not significantly propel the negotiations towards a successful conclusion by 2010. Several key players have made skeptical comments. As an example, Brazil is reported to have claimed the multilateral trade negotiations are at the moment, unravelling.  **Stumbling blocks** This column will conclude by drawing very brief attention to some of the major stumbling blocks encountered in the negotiations process. In no order of ranking these are: first, agricultural subsidies given by rich countries to their farmers that have led to the suppression of the agricultural exports of poor countries and the expansion of rich countries’ exports through lower (subsidized) prices. Several farmer groups from West Africa, which export cotton, represent one of the most infamous examples of the castrophic effect on poor countries of the agricultural subsidies provided by rich countries to their farmers. Second, most poor countries do not have competitive services sectors and are therefore unwilling to open them up to competition from well-established firms in rich countries. Third, in all of the trade-related areas the Doha Development Round is embracing, poor countries face similar competitive difficulties; for example in areas like trade and competition, investment, intellectual property rights and environment. There are also a large number of implementation concerns, such as the application of safeguard measures if trade liberalisation significantly disrupts the external trade and economies of poor countries. Finally, there are the development concerns I have mentioned in earlier columns, like special and differential treatment, the special concerns of small economies, and funding support for poor countries as they embark on trade policy-changes: capacity-building and aid-for-trade financing.  **Conclusion** In practice two considerations continue to flavour current efforts to jump-start trade negotiations. One is the ‘mini-trade wars’ now being played out among such key trading economies as China, the United States, the European Union and Russia. Tit-for-tat measures are regularly employed when any infraction to existing agreements occur. This poisons the atmosphere for negotiations. Second, the global crisis itself, along with the WTO projected decline in global trade of 9 per cent this year, has tempted countries to pursue protectionist options. Next week, as promised, I shall shift gear and begin to tackle two issues which are very central to the future of Guyana. These are the political economy of the low-carbon development strategy and a revisit of my earlier thesis on the criminalization of the state in Guyana. |