

## What Really Happened in Seattle

By

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Was the debacle in Seattle the triumph of NGOs over free traders? Is it the dawn of a new era of “people over profits”? Are John Sweeney and Ralph Nader to be “at the table” at the WTO, not just the next US President and his governments’ envoys and delegations? Yes, many in the United States, among them the reporters of the major newspapers, believe this. But they could not be more wrong.

What they ignore is the altogether different lesson that the poor countries have drawn from Seattle: that, unless their governments and their intellectuals and their NGOs stand together, the WTO, which has been traditionally regarded as the defense of the weak, will be hijacked by the NGOs and lobbies of the rich countries to mount assaults on the weak.

In fact, even as the negotiating governments were reaching accommodation on the conventional agenda of trade liberalization, the poor countries drew a line in the sand and scuttled the Round over the US insistence on the inclusion of a Working Party in the WTO (rather than in the ILO) on labor standards. True, many of them had indicated strong opposition to the US proposal even before arrival. But why would they not yield a little, for the larger cause of a new Round, on the issue in our admittedly outrageous direction?

Manifestly, the poor countries were startled by the spectacle in Seattle, not just in the streets but also in the debates held by peaceful NGOs (in many of which I participated as a free trader on environmental and labor issues, bearding lions such as Ralph Nader in their own dens). That the anti-globalization and anti-WTO crusade had been captured by groups whose mindset was to take aim at the poor countries was in abundant evidence at Seattle. Consider just two of the most widely reported symbols of the NGO protests.

Recall the celebrated Associated Press photograph of a young boy, perhaps ten years old, carrying the placard that says “Tell the WTO No Child Labor” and adds “Would you want your

child working to death?”. Aside from the irony that a child is made to carry the poster instead of attending school, one may well retort that the correct message should be: Would you want your child starving to death? And starvation is pretty well what children would face if poor parents were simply proscribed from sending children to add to the family income. In short, as British Minister Clare Short noted at the WTO-sponsored NGO symposium at Seattle, child labor is a “development, not a trade, problem”. Inclusion of child labour into the WTO agenda is calculated, not to advance a solution to a complex and long-term problem; it is a calculated move to shelter America’s labour-intensive industries from competition from the poor countries, protectionist self-interest masked behind moral rhetoric.

Again, take the demonstrators marching in sea-turtle costumes throughout the Seattle meetings, denouncing the WTO as anti-Earth, with “Wanted” posters denouncing WTO Director General Mike Moore, the charismatic former Prime Minister of New Zealand who has the unique distinction of having been a union leader and a committed free trader, as a destroyer of endangered species. But the Turtle-Shrimp decision at the WTO in October 1998 upheld GATT Article XX(g) on allowing the US to use it to protect turtles! It only objected to the selective and discriminatory way in which the US legislation was designed and directed at the Asian nations who had brought the complaint to the WTO. In particular, the US had given 4 months’ notice (while other nations were given three years) to India and the other plaintiffs to adopt our legislation on the use of TEDs (Turtle Excluding Devices); and the US had unreasonably suspended all shrimp exports from India even though farmed (rather than sea-harvested) shrimp were the bulk of Indian exports. Imagine India suspending all exports of textiles simply because it objected to sweatshops in New York and America’s lack of enforcement of US safety and minimum-wage laws in them.

In short, the WTO was not acting against turtles but was protecting the Indians' rights to what might be called "horizontal equity" or nondiscrimination. Besides, India properly objected to the high-handed and arbitrary exercise of unilateral action by the United States. Equally, Indians ask: do turtles matter more than Indian fishermen? Are turtle rights more important than human rights? And many say, quite rightly, that if Americans want the use of TEDs, why do they not put their cash where they say their conscience is: just buy the TEDs --- they reportedly cost \$50 a piece at Wal-Mart --- and give them to the Indian fishermen and solve the problem so that we get both TEDs in place and maintain Indian's ability to access US markets? When the US-based NGOs push for a confrontation instead, as they have, they display arrogance and a disdain for the poor nations: a fact that was all too obvious in Seattle.

Faced with these, among other, manifestations of a wanton disregard of their interests and their concerns, coming especially from NGOs who hang a halo on their walls, the negotiators from the poor nations were already getting alarmed even before they got to Seattle. The host committee had given over one day to labour issues, to be managed by the AFL-CIO, with no representation for the unions abroad that had signed on to a forceful statement against putting labour issues into the WTO and which numbered membership over 118 million in over 100 countries. The one day handed over by the same committee for a "non-special-lobby" event to the Washington-based Institute for International Economics was also stage-managed: its panel on labour (and environmental) standards had no one presenting the viewpoint of the poor nations and it had already come out with a pamphlet by the political scientist I. M. Destler arguing conveniently that public opinion required that labour issues be put into the WTO.

But it was the scenes at Seattle that gave a sharper edge and clarity than ever before to the poor countries' growing concerns. After all, at the close of the Uruguay Round, they had already

been bamboozled into accepting Intellectual Property Protection into the WTO even though it was clearly not a trade issue and it was equally obvious that it was a dagger aimed at the poor countries. Now, labour issues, framed deliberately so as to aim at them, were sought to be imposed on the WTO: a bone thrown to the unions in the rich countries but down the gullets of the poor countries.

The last straw was when President Clinton announced, in an interview granted to a Seattle newspaper and published just as he arrived in Seattle that, in apparent contradiction to the disarming assurances being put out by USTR, the US objective was to set up trade sanctions against the poor nations if they did not respect labour rights (as defined to shield ourselves from problems, of course). That electrified everyone at Seattle, both a jubilant Mr.Sweeney and the astonished poor countries, but for opposed reasons. Evidently, the fig leaf of “only a Working Party” had been removed. But so had the chances of the launch of a Seattle Round.

The NGOs claim that their “unified” movement killed the Seattle Round; and that they have now emerged as a major anti-WTO force. No, it was President Clinton, and his irresponsible and short-sighted pursuit of political advantage, that killed the Round. And, by taking over an anti-poor-nations agenda of essentially trade-unrelated issues, the rich-country NGOs have only stimulated the poor countries into mobilising for the future their own NGOs and intellectuals into defending the WTO against a takeover by the rich countries.