

Engendering the WTO? What Else?*

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Neo-liberalism and Poverty Eradication: Rhetoric and Reality

Economic globalization or the integration of the global market through the framework of the World Trade Organization (WTO) and its linked bilateral and multilateral free trade agreements are neither necessary nor inevitable. Rather than accept this framework as our new given context, feminists must continue to challenge and resist not just hyper-liberalization policies but the whole economic paradigm of marketization. This is my first point and the core argument of this brief presentation.

Although the official rhetoric around a global free market claims that “trade can make poverty history,” the reality shows otherwise. At best, trade liberalization set out along the lines of the World Trade Organization had spawned uneven and uncertain benefits for developed and least developed economies. Women’s jobs in the foreign direct investment (FDI)-led manufacturing and services sectors in the south have had a dramatic turn-around in only 10 or 15 years—now the FDIs are gone with a mass of unemployed women left behind. While jobs have come and gone, the incentives that have been put up for FDIs, including the policy of national treatment, remain entrenched. The reason is simple: the new trade rules of the WTO forbid countries to alter WTO-compliant regulatory and administrative regimes that favor foreign direct investments and transnational corporations. It doesn’t matter if these policies were proven to be costly or wrong; the point is—the government signed on to a piece of paper that bound it to a set of legal obligations which it cannot un-subscribe from.

* Read at the HBF Summer School, Humboldt University, Berlin, 09 September 2005. Updated version of an intervention given at a plenary on Economic Globalization during the 6th International Inter-Disciplinary Congress on Women held in Seoul, Korea in June 2005.

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Anyone in the European Commission or the US Trade Representative's Office will tell you that this charge is totally false. They will claim that the WTO is there for governments to take or leave. Certainly there is some truth to this assertion—but it exists only hypothetically! In the last ten years of the WTO, no poor country has ever turned around from its commitments in the WTO for fear of costly lawsuits from transnational corporations, trade reprisals from rich countries, as well as major implications on loans being negotiated with the multilaterals, such as the World Bank, IMF and the ADB.

Another part of the official rhetoric says that the world needs a uniform set of trade rules in order to level the playing field for all countries and economies. Facts reveal a contrasting and distressing reality. Ten years of the WTO produced a set of trade rules that allow rich countries to use protectionist measures through various forms of non tariff barriers as well as to continue providing huge subsidies for their agricultural sector while the same trade rules pry open to dumping the rural economies of developing and least developed countries. In the process, poor women's and men's livelihoods have been destroyed and poverty in the rural areas have worsened. In India and elsewhere, farmers who could not compete and been drawn to extreme poverty by Monsanto and other agribusiness giants have resorted to suicides. The same is true in Korea. I was in the people's resistance rally in Cancun where Farmer Lee took his life. Yes, the WTO kills farmers. It killed Farmer Lee and countless others like him.

Publicly provided services have become a major target of privatization and free trade. The services sectors in developing and least developed countries—many of which have been privatized under structural adjustment programs—are bound to open up to international trade. It is obvious that such an arrangement will most likely benefit developed countries that have better supply capacity and export infrastructure. In fact, the US, EU and Japan that have moved out of the industrial economy stage and have entered well into a technology-led services economy are the most gung-ho about the liberalization of services.

But what we should really be worried about is the marketized logic applied to services. It is claimed that governments are best left to ensuring

that there existed a legal regulatory context which allows for the unbridled functioning of the market. The market when left to itself becomes an efficient distributor of resources. This logic, however, carries a big assumption in that everyone has the same set of capabilities needed to take advantage of market opportunities. Those of us who grew up in societies where there are deeply entrenched inequities based on class, ethnicity, religion, race, and sex/gender systems, know fully well that this assumption does not hold water. It never did. We know that the capitalist market only works for the poor if it is regulated along a broader social function principle, with regulation being adjusted on the basis of achieving some social goal linked to equity and poverty eradication.

Ask any economist what economics is about and she will tell you that it is about provisioning. However, hyper-liberalists are intent on putting in place only one way of provisioning—a global system in which transnational corporations dominate the distribution of goods and services and everyone else acquiring these as out of pocket expense. Monetized incomes have never been as critical as they are now when basic necessities for survival - food, education, health, water, power—need to be wholly purchased from the market. In the North, the welfare state has retreated; in the South, the traditional mutual help systems and social networks, devastated by the intrusion of monetized relations. At the same time that incomes have become much more critical for meeting daily needs, our incomes have also become more volatile, uncertain, irregular, and access to money in the form of loans, more costly.

A feminist economist will further remind us that the economy has a social reproduction or a care aspect to it. That provisioning of goods and services is not primarily about profit; it is principally about provisioning—of sustaining life for generations. The neo-liberals have a distinctive way of ensuring the care of humans! A corporatized and marketized world is what they have in mind—that is, placing our future into the “care” of the world’s richest corporations and governments. I ask: is this what we hope the future to be?

Good News / Bad News

The good news is: the project of hyper-liberalization and trade intensification is not a done deal. The collapse of the Seattle and Cancun WTO Ministerial meetings are significant moments that reveal the fractious and bitter fights among developed, developing and least developed countries. South countries have also come together to revive talks under a separate trade framework—hat of the GSTP or the Global System of Trade Preferences that allow the exchange of trade preferences among developing and least developed countries. New negotiating blocs within the WTO such as the G20, G33 and the G90 have taken to task developed countries and are showing more resolve in getting significant and firm trade concessions from the richer economies, as well as pushing forward the modalities for “Special and Differential Treatment.” More recently the defeat of the European Constitution adds yet another sign to the complexities and asymmetries that need to be taken on board if fair trade rules were to be realized. Even the institutional reformers and official negotiators in both Geneva and New York have been heard to say: “No deal is better than a bad deal!”

While neo-liberalists have not won the day, they certainly have not given up the fight. This is where the bad news begins! Right after the collapse of Cancun, the developed countries went to work fast and succeeded in passing the July Framework at a General Council meeting that was attended by delegates from only 40 or so countries. The July Framework served as a basis for the United States to justify its dreaded Farm Bill and for the European Union to position the category of “Sensitive Products.” It also carried annexes meant to push liberalization further in other areas. A case in point is Annex B on Non Agricultural Market Access or NAMA that binds developing countries to tariff ceilings and measures for industrial products, including fisheries, and environmental products, which cannot be unbound in the future.

Politically, there had been maneuvers to ensure that a trade deal is finally won at the forthcoming 6th WTO Ministerial Meeting in Hong Kong. The positioning of Supachai as head of UNCTAD¹ has meant lesser support for the GSTP² initiative that was established in 1989 to

foster South-South trade and supported by UNCTAD under the term of Recupeiro. Astute and hard-nosed negotiator, Pascal Lamy, the former EC Commissioner, is now heading the WTO under the backing, among others, of developing countries in the ACP.³ Lamy badly wants a deal to be inked, if only to redeem himself and his team from the failure of Cancun. Blaire has been all over the news seeking an agreement on the so-called Doha Development Round⁴ of the WTO. The forthcoming Millennium +5 Summit on the MDGs⁵ is also being used to legitimize a Doha Development Round that in concrete is really about harmonizing a social development package from the United Nations with the WTO trade regime. Finally the formation of the FIPs or Five Interested Parties is a skillful maneuver to co-op India and Brazil, thus far the most vocal of all among the developing countries, into the fold of developed economies. The effect had been confusion if not mistrust among the G20 and G33 blocs in which the two countries have had a moral and political leadership.

The developed countries are desperate to get an agreement signed in Hong Kong. A third failure of the WTO ministerial talks will certainly bring devastating ramifications to the legitimacy of the neo-liberal project of global market integration. Developed countries are preparing for this 'victory' by making certain that the mass of developing countries are as fragmented as can be. EU had dangled preferential trade and aid to ACP countries. The US is playing to the hilt its role as the power that flexes its muscles—nowing fully well that its allies in the international community, particularly the EU, will not isolate America from an initiative of the international community. Both have been quite aggressive in seeking bilateral FTAs⁶ or economic partnerships, as another front for market access and investments abroad. Trade is being opened through two bullets fired from a single shot—a bullet that is the WTO and a bullet that is the FTAs/EPAs.⁷ And if you happen to read economic analyses coming out of the developed world, there is now a new more insidious economic threat to all countries, especially to developing countries, and they will say it is China!

Ten years after the WTO was established, we are seeing not bullish economies but bullish behavior and a host of bullying tactics directed at

forcing developing countries to sign on to a global deal on marketization. There is much to lose and little to gain from an agreement that is being rushed because of political expediency among a few key players that are beholden to transnational corporations. As one economist recently said "the devil is in the details!" The rhetoric sounds good and reassuring for developing countries but examine the details of the agreement and one will realize how unfair and insidious WTO and WTO-coherent rules are!

Feminist Analyses and Activism on Economics and Trade

Time and again, we have said we want fair trade rules but fair trade rules can only be realized if the systemic issues such as those of debt, low commodity prices of raw materials, monetary system, and the volatile financial architecture—issues that cut deep into the survival of millions of poor people in the South—are addressed: Time and again, feminists have raised the need to move beyond the superficial divide between economic and social policy. We cannot have trade rules that are simply concerned with trade outcomes and not with social outcomes.

The challenge for feminists, especially for feminist economists, is not to demonstrate how women could take advantage of so-called new opportunities opened up by a flawed economic globalization framework. Rather it is to uncover "the devil in the details" of the neo-liberalist agenda and the marketized paradigm! It is also to show the way to more heterodox economic thinking that will provide us with the tools for putting in place alternative economic systems.

Of late, we have been hearing from the WTO secretariat and officials themselves that "progress has been slow." As Walden Bello, an anti-globalization activist had rightly forewarned, we should not become complacent; despite the rhetoric, an unfair deal in HK is still possible. This forthcoming WTO Ministerial Meeting is unprecedented in that it has the most number of "Mini-Ministerials" and committee meetings preceding it. The struggle over a global trade deal is not just alive but it has

entered a very difficult phase of negotiations where political pressures have become more intense and consistent.

And because feminists are also activists, we need to be at the forefront of the global people's resistance against unjust trade rules and hold hands with others in national mobilizations that take our governments to account for their disastrous economic and trade policies. In the run-up to the 6th Ministerial Meeting in Hong Kong, we need to be closely watching what and how our governments are negotiating, seeking accountability and transparency for their decisions and actions. This is particularly critical at a time when many governments have fallen into the hands of conservative and pro-market administrations. Many women (and men) will be in Hong Kong during the WTO Ministerial Meeting; many more will be in their capitals visibly and loudly telling the world that ordinary people will not sit idly while the powerful hammer out deals that bind our future and our children's future.

Endnotes

1. United Nations Conference on Trade and Development
2. The GSTP was established in 1989, and serves as a framework for the exchange of trade preferences among developing countries to promote trade among them. Developing countries see a vast potential for this trade. The mutual trade of GSTP members is estimated to be close to \$2 trillion in 2000—or about 55% of the trade of all developing countries. At the time of establishment, it was seen as a framework, and thus minimal exchange of concessions were made among the members to sign on and bring the Agreement into force and get the necessary GATT authorization.
3. African, Caribbean and Pacific Group of States
4. This refers to the results of the WTO Ministerial Conference held in Doha, Qatar.
5. Millennium Development Goals
6. Free Trade Agreements
7. Economic Partnership Agreements