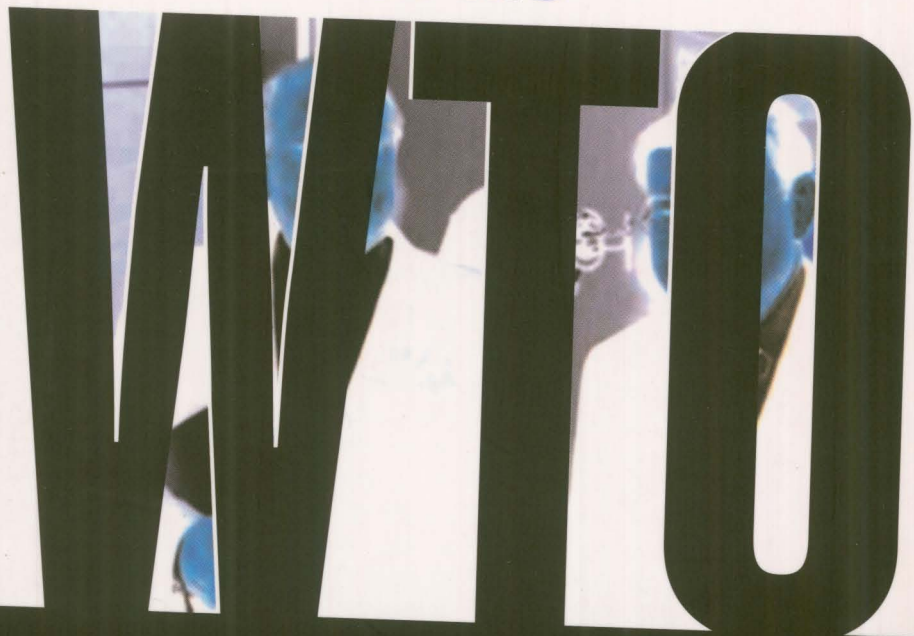


FATOUMATA JAWARA & AILEEN KWA

behind the scenes at the



the **real world** of
international trade negotiations

Behind the scenes at the WTO: the real world of international trade negotiations

Fatoumata Jawara and Aileen Kwa



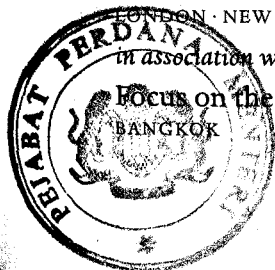
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Preface

This book represents a valuable contribution to the study and understanding of current multilateral politics and North–South relations, as played out in the WTO. It depicts the ‘lopsided playing fields’ on to which the developing countries were thrust by the North after the conclusion of Uruguay Round Agreements and the establishment of the WTO.

It is a sober and sobering book for all those who believe in a prosperous world economy anchored in a rule-based system in which North and South co-operate and equitably share the gains from global economic expansion. The WTO (or, more accurately, its predecessor the GATT) has been the chief rule-making body for international trade in manufactured products. It is now increasing its reach by bringing under its disciplines not only manufacturing trade but also agricultural products, services and intellectual property rights, as well as issues such as investment, competition policy, government procurement; and so on.

In this carefully researched, unique book the authors lift the veil on how decisions are actually taken. They conducted structured, in-depth interviews with a large number of Geneva-based missions to the WTO and WTO Secretariat staff members. While some of the interviewees understandably chose to remain anonymous, this does not in any way detract from the authors’ analysis or conclusions. Interviewees are named wherever possible, and their views are quoted directly to the extent possible, or else indirectly to reflect their judgements. The sample of missions was chosen from right across the spectrum of the WTO membership.

What emerges is a fascinating story that would do credit to the best kind of investigative journalism. However, the authors have a more serious intent and they are able to demonstrate with their research the kind of arm-twisting and bullying of developing countries that routinely occurs in the negotiating process, through

which developing countries are obliged to accept agreements that they know are not in their long-term interests.

Instead of the far-sighted approach adopted by the USA after the Second World War to help build up European economies through non-reciprocity (for example, providing market access to Japanese and Italian goods without insisting on reciprocal access to the Italian and Japanese markets), today's rich countries seem to be guided entirely by narrow, short-term mercantilism rather than the long-term interests of the world economy as a whole. The WTO Secretariat, instead of being a neutral and essentially administrative body, aids and abets this process and thereby violates its own mission statement, which is contained in the very first paragraph of the preamble to the WTO Agreements. This preambular paragraph makes it clear that the purpose of the organisation is not free trade in itself but the fostering of sustainable long-term economic development and improvement of living standards in rich and poor countries alike.

The authors find that the culture of the Secretariat has internalized concepts of market access and liberalization to a degree that it cannot but act as essentially the agent of advanced countries rather than seek to redress the balance for poor countries. A fundamental change in this culture would be required for the Secretariat to appreciate that liberalization does not always promote economic development, and that it may even retard it. The recent appointment of a developing country public figure as the head of the organization is unlikely to change this deeply ingrained culture.

The study depicts the hostile, threatening and biased negotiating and institutional environment that the developing countries have to face in the WTO. It is thus a wake-up call for all those who understand and share developing countries' aspirations and sensitivities, or who still hold illusions about the democratic nature of multilateral processes and organizations, or about the need to make development a priority and to provide the developing countries with appropriate support and fair treatment.

The book also makes painful reading to those familiar with the manner in which trade and development figured on the international

agenda, including in the GATT, following the creation of UNCTAD in 1964, by showing how the gains achieved at that time have been eroded and forgotten.

The volume will indubitably lead to an outcry and denials from concerned quarters. On the other hand, the developing country negotiators, familiar with the WTO scene, will no doubt welcome it as providing a broad-brush description of the reality in which they have to survive and operate.

Developing country leaders and citizens need to understand the nature of the institutions and processes through which their future is being decided, and the process by which their development options are rapidly being reduced. It is up to them to resist and change the institutional status quo, which is unfair and prejudicial to the South. In view of the realities of the distribution of world economic and political power, developing countries can succeed only by working and acting together.

The challenge now is to proceed with systematic and sustained empirical analysis of the workings of the WTO, and of similar global power-wielding international organizations, which have emerged as a key tool in the hands of Northern governments and corporations, *inter alia*, to control and manage developing countries. It is to be hoped that the Jawara and Kwa study will be followed by studies from other researchers from the South, as well as independent-minded scholars from the North. Such research should probe in depth the political processes, structures, institutions and underlying premisses that underpin the unequal relations between the North and the South in the contemporary multilateral setting.

The authors have done a signal service to the international community with their important study, which deserves to be widely read and its conclusions acted upon.

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