

WTO Meet at Nairobi :

A Lie has been Left to Die

The 10th Ministerial Conference of World Trade organization made significant decisions – that are positive for the imperialist countries and immensely negative for the Third World countries. The essence of the final communique is that the 14-year old Doha development Agenda (DDA) of the Doha round ministerial trade negotiations is now effectively dead, but not buried to dangle it before the Third World as a bait to lure them into a trap.

The significance of the breakdown of DDA can be understood when viewed in its historical context. The General agreement on Trade and Tariffs (GATT) was established in 1948 with the specific aim of preventing a repeat of 1930s (Great Depression) experience, when the world polarized into competing trade blocks, promoting conditions that lead to the Second World War.

GATT was based on the principle that trade concessions should be multilateral in scope and the decisions made by any country should not be selective, applying only to one country or particular group, but should extend across all the countries alike.

The main power behind the GATT was the US imperialism. Its advocacy of “free trade” was not genuine. It was based on lessons drawn by it from the experience of 1930s, which showed the unbridled expansion for profits by imperialism needs world open to its trade. Like British imperialism in the 19th century, which uphold free trade doctrine when it was the dominating colonial power, the US imperialist free trade was based on its dominant position economically.

GATT was the part of international economic framework that created conditions for the post war expansion of world capitalism. But this strategy was reeled under the inherent contradictions. The world market grew and the other imperialist powers recovered. Though this is necessary of the US to flourish, the recovery of other imperialist powers undermined its economic dominance by competing for a share in the world market. The sharpness of this contradiction first expressed in 1971, when US imperialism in violation of Bretton woods Monetary Agreement of 1944 (which was the basis for the formation of World Bank and IMF), removed gold backing from the US Dollar.

As this contradiction continued to intensify, and with the end of “cold war” along with rise of the European Union, the US imperialism again emphasized the need to have an organization to oversee free trade. Thus WTO was established in 1995 as a successor of the GATT. Yet it did not subside the contradiction rather intensified it. Now the US imperialism is play central role in discarding the principle of multilateralism in trade. It resorted to bilateral trade agreements in violation of its promise of multilateralism at the time of formation of WTO.

The trade coalition in this direction is the 12-member Trans-Pacific Partnership (TPP) which repudiated the principle of multilateralism and gave access to US market only to those nations that have signed up the agreement. On their side, the 12 countries on the rim of Pacific Ocean have agreed to the US demand to tailor their trade laws so that they become exact replicas of US’s trade laws. The proposed Transatlantic Trade and Investment Partnership (TTIP), covering economic relations between Europe and US, is also of the same nature as that of TPP. The aim of these agreements, in the words of Chief US trade negotiator, Michael Froman, “is to place the US at the centre of a web of agreements that will provide unfettered access to nearly two-thirds of global economy”.

The specious argument he made in support this is as follows: “Washington faces unprecedented constraints in crafting trade policy. The US no longer holds as dominant a position in the global economy as it did at the end of WWII and must build to work toward consensus positions’. For nearly seven decades the global trading system fashioned after the war, in which American politicians played a leading role, had “brought jobs to American shores and peace and

prosperity to the countries around the world". But in recent years, he wrote in the Financial Times, "tectonic shifts" in the world economy meant this architecture had to change. Accordingly he concluded that the Doha round not "delivered" and it was time for the world to free from its "strictures". "Two-way deals are working; regional pacts are working" he wrote, "only multilateralism was struck".

In this back ground WTO meet at Nairobi was held. Doha round was a lie. It was forced upon the backward countries with the promise that it will discuss and sort out the issue of agricultural subsidies by the US and EU, which would benefit the backward countries. It was also promised that Doha round would focus on 'development' so that backward countries gain by boosting some sectors of their economy. For 14 years the promises were never materialized. But the US and EU used protracted Doha negotiations to cajole the backward countries to agree to other demands of imperialists dangling the 'development' as a bait. Now at Nairobi, they struck a death nail to DDA.

In other words, having lost its dominant position economically under multilateralism, the US imperialism had resorted to regain it by other means by resorting to trade blocks with two way agreements. The US wants to refashion the WTO in accordance with its needs. That is why it hailed Nairobi decision as clearing "road to a new era of the WTO".

Doha round started with a huge agenda covering agriculture, industry, services, trade facilitation and special needs of Least Developed Countries. In agriculture it was supposed to address market access, tariffs and subsidies. Negotiations dragged on until 2008 when some form of consensus arose at Bali conference in the form of "Draft Modalities". The US killed this package as it hurts its trade interests.

All these years Indian interests were surrendered by the successive governments, though they put up a brave face. Whenever pressure came from the US imperialists, New Delhi caved in. The latest being the signing of agreement on trade facilitation in November 2014 between Narendra Modi and Barak Obama. It is a part and parcel of The Indo-US strategic Partnership. This allowed unfettered imports of both agricultural and industrial products, along with free flow of capital into all sectors of Indian economy. The repeated talk of easing the rules for the entry of foreign capital, bit-by-bit rise of caps on foreign capital in the insurance and banking sector, and the incessant harping on the need to open up all services to foreign capital ate the consequence of this trade facilitation agreement with the US imperialism. Then what respect would be shown to the Indian "demands" at the Nairobi? They were brushed aside ruthlessly.

One of the Indian 'demands' was a time bound package that would protect public stock holding programme in agriculture from WTO mandated restrictions. The imperialist countries simply refused to 'accept' it. Sooner or later, India will have to abandon its public distribution system, which puts more burden in the poorer sections of Indian population.

The abandonment of Doha round at Nairobi by the US-led imperialists will once again rises two questions. One is two decade old; whether the backward countries should walk out of the WTO? The 20-year experience with WTO amply proved that it is yet another instrument in the hands of imperialism to cajole the backward countries into agreeing and normalizing the imperialist plunder and domination. Multilateral or bilateral agreements are not meant to protect the interests of Third world countries but to further strengthen imperialist exploitation and hegemony.

Would the abandonment of Doha round and two-way agreements bring any peace and prosperity to the world by resolving the contradiction between the imperialist powers? Sure the new tactics adopted by the imperialists will open up the world market for them and makes their economies to grow. This instead of resolving the contradiction escalates it and forces the imperialist powers to employ other means to resolve it, including military intervention and aggression on the third world countries.

This contradiction can only be resolved through the struggle of the working class along with the toiling masses of peasantry for the overthrow of imperialist world order and for establishment of socialist society.
