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We welcome your comments and suggestions!

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REGIONAL ANALYSIS

The Big Chill in Singapore
by Walden Bello*

It was an historic meeting, alright, but not for the reason often cited by the trade epresentatives of Northern countries: that the World Trade Organization's recently concluded First Ministerial Meeting in Singapore represented a milestone in the consolidation of a "fair, equitable and more open rule-based system" of global trade.

As a representative of one of the relatively few public interest NGOs present at the WTO Ministerial, the Singapore experience left me with two very strong impressions:

1) Despite the new name, the WTO pretty much functions like the old General Agreement on Tariffs and Trade (GATT). Who determines which issues are vital and sets the agenda is largely the so-called "Quad" group, made up of the United States, European Union, Japan, and Canada.

Consensus is said to be the operative decision-making norm for this 127-member institution, which is absurd on the face of it.

In fact, in such a large body, what consensus means is principally consensus among the Quad, whose members then apply a variety of mechanisms to get the less powerful countries to agree to positions arrived at by the Quad. As US trade expert C. Fred Bergsten candidly puts it, the WTO "does not work by voting. It works by consensus arrangement which, to tell the tuth, ismanaged by four--the Quad: the United States, Japan, European Unon, and Canada. These countries ghave to agree if any majorsteps are going to be made, that is true. But no votes."

The last time a formal vote was taken in GATT was in 1959, and the WTO is not likely to break this tradition.

Singapore was a a striking example of Quad power to set the agenda. Most of the 127 member-country that came to Singapore expected that issues having to do with the implementation of the 27,000-page GATT Uruguay Round Accord would dominate the agenda.

Many of the least developed countries wanted to focus on such issues as problems encountered in meeting their commitments to the Round, the slow pace in the reduction of domestic support and export subsidies in agriculture in the European Union and the United States, and the absence of significant reductions in quotas on textile exports from the developing countries imposed by Europe and the United States.

Instead, Northern priorities overwhelmingly dominated the five- day meeting. For the most part, negotiations centered on an Information Technology Agreement (ITA) and so-the so-called "new issues"--"core labor standards," investment, and competition policy--dominated the five-day meeting. Acting US Trade Representative Charlene Barshefsky set the tone in her speech the very first day

when she said that concluding an ITA was the US' top priority for the meeting. In the view of Third World country delegates, this hardly came as a surprise since the US accounts for 50 per cent of the global IT market and would stand to reap a large part of the gains from a worldwide zero-tariff agreement.

Barshefsky at her last press conference also gave an insight into the dynamics of the meeting when she admitted that "the core labor standards issue dominated the last three days of the meeting." This was a case of a mainly domestic agenda overrunning global priorities, since the intent was to pacify a domestic constituencies that were fearful that free trade was leading to job losses in the US.

And in all cases, the North got what it wanted. Massive lobbying produced an ITA endorsed by IT giants US, EU, and Japan, and 25 other countries. Despite some wording concessions to the South, the North was able to mention the issue of observance of "core labor standards"--feared by many in the South as a a future rationale for disguised protectionism--pretty high up in the Ministerial Declaration, as item no. 4. In addition to establishing working groups to study transparency in government procurement (codewords for corrupt practices in Third World country procurement policies) and competition policy, the Declaration also agreed to set up a working group "to examine the relationship between trade and investment." To many developing countries and newly industrializing countries, this was a significant step towards making investment, in addition to trade, an area of WTO authority.

In contrast, the so-called "Plan of Action" for the Least Developed Countries" that was trumpeted by the WTO bureaucracy as a signal effort to address the problems of the poor countries failed to mention any concrete offer from any of the developed countries of tariff-free access for least-developed-country products.

2) The WTO Ministerial Conference is an extremely non- transparent body.

NGO's complained about their ability to monitor the decision- making process. So did many official delegates, particularly from developing countries, for whom participation was a real problem. Like the old GATT, formal plenaries in the Ministerial were devoted to speech-making, while the real decision-making was reserved for informal meetings of country delegations that were handpicked on a far from transparent basis. In these informal sessions, realpolitik and confusion reigned.

As an NGO bulletin noted, "Most discussions took place in informally convened meetings and the meetings of Heads of Delegations (HOD) became a sounding chamber to measure the degree of resistance to positions agreed behind closed doors. One NGO even reported that some delegates relied on NGO contacts to keep them up to speed on what was happening and where. One delegate said the seats of power at the negotiations were also exclusively found in informal negotiations."

Reacting to complaints about transparency and democracy, the Chairman of the Conference, Singapore's Yeo Cheow Tong, stated that the invitations to informal consultations had been issued on the basis of "region," "size," and "development status." What he failed to mention was who did the choosing.

The WTO Ministerial Meeting could have been an opportunity for the North to respond to the stresses and strains visited on the South by the process of trade and broader economic liberalization, of which the WTO is now the key agent. Instead, the dominant Quad countries chose to approach the organization in the traditional way of making it an instrument to blatantly push a global trading agenda that would principally benefit them. For most of the Southern delegates, the Singapore experience underlined what they had suspected all along: that the WTO was no different from their old nemesis, International Monetary Fund (IMF) and the World Bank.

In this connection, the speech that probably made the lasting impression on Third World delegates was not WTO Director General Renato Ruggiero's "vision speech" in which he talked about free trade resulting in "a phone in every village" but that of Michel Camdessus, the IMF's Managing Director.

"With the globalization of the world economy," Camdessus told the delegates, "trade has become more complex, and trade liberalization, more challenging. We are fortunate to have the forum and machinery established under the WTO to help move the process forward.

"The IMF, for its part," he continued, "will join in this task through its surveillance and support of members' adjustment and reform efforts. I am pleased to note that our joint efforts can now proceed in the legal framework of the Cooperation Agreement that the Director General, Mr, Ruggiero, and I will sign here in Singapore. In addition, I understand that the World Bank's Executive Board has approved the WTO/World Bank Cooperation Agreement.

"Thus," he concluded, "the stage is set for the WTO, the Fund, and the World Bank to work together toward the implementation of our complementary objectives. I have no doubt that our Member countries will encourage our efforts and play their full part in helping achieve these fundamental objectives fot the common good of mankind."

A vision of world economic governance was being layed out, and to most delegates from the South, it was a chilling one.

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APEC and WTO: The Washington Connection
by Walden Bello

The Asia Pacific Economic Cooperation (APEC) and the World Trade Organization (WTO) are said to be complementary mechanisms to achieve a liberal world trade regime that will benefit most of the world's population.

After the November APEC Summit in Manila and the first WTO Ministerial Conference in Singapore held early in December, people are becoming impatient with such "ideological" statements. Indeed, the lesson that many observers have drawn from the two meetings is how the two trade organizations can be manipulated to serve as complementary mechanisms to advance the interests mainly of their more powerful members.

For them, the recent Information Technology Agreement (ITA) forged in Singapore is a powerful example of how the main link between APEC and WTO at this point is not the achievement of universal prosperity via free trade but hardline US trade diplomacy.

For some years now, the US has been trying to gain an agreement to liberalize trade in information technology and telecommunications. The reason is not hard to find: with superior technology in both product areas, US corporations are confident that with the elimination of trade barriers, they can extend their control of the international market beyond the 50 per cent they now have.

Washington has been candid about its goals. As US Trade Representative Charlene Barshefsky has stated, "Today, the United States accounts for nearly 50 per cent of all telecom revenue worldwide. We cannot , and we will not, settle for a situation where we are unable to operate in the other half of the world's markets."

In Washington's view, the main stumbling block has been the European Union, which has been extremely hesitant to lower its tariffs on US information products for fear this could drive European IT producers out of business. Before Singapore, negotiations with Europe were getting nowhere. This led to tremendous exasperation among Washington's trade diplomats, among them APEC Ambassador John Wolf, who warned in public that "Either the Europeans liberalize or they die."

As part of their strategy of breaking the deadlock with Europe, Wolf and the Washington trade team, around the middle of 1996, placed the achievement of an information technology agreement on the agenda of the forthcoming APEC Summit in Manila, to the surprise and consternation of many of Washington's Asian trading partners. As in the case with Europe, there were a lot of hesitations among the APEC governments and business groups, many of whom feared that Washington's zero tariff proposal would wipe out their plans of building up information technology industries through tariff protection. There was also resentment at being manipulated as bargaining chips in a high-stakes trade duel with Europe.

These feelings ensured that by the conclusion of the APEC Senior Ministers' Meeting on November 23, the most Washington could get was a draft declaration that supported the liberalization of the IT sector but in very general terms.

What happened next is well described by Martin Walker of 'The Guardian':

"At breakfast with President Ramos of the Philippines, [US President] Clinton reviewed the tentative agreement...and said: 'This unacceptable--we have to do better.' Ramos then rewrote the communique, and Clinton and his staff spent the rest of the day lobbying the other Asian leaders to achieve the far more ambition Information Technology Agreement."

After 16 hours straight engaging in what APEC guru C. Fred Bergsten described as "the most intensive diplomacy I have ever seen," Clinton, with the assistance of Ramos, got what he wanted: an APEC Manila Declaration that called for "the conclusion of an information technology agreement by the WTO Ministerial Conference that would substantially eliminate tariffs by the year 2000..."

Thus, Washington had "momentum" coming into Singapore two weeks later. Charlene Barshefsy declared in her speech at the WTO's opening plenary on Dec. 9 that, as far as Washington was concerned, achieving an ITA was at the top of the ministerial meeting's agenda. Many delegates, especially those from the developing countries, reacted apprehensively since they had expected the meeting to focus on discussing and proposing solutions to problems encountered in implementing the ambitious 27,000-page GATT Uruguay Round Accord ratified two years ago.

Such concerns were brushed aside, as Barshefsky focused the energies of the WTO's biggest powers, the US and the European Union, on the achievement of an IT pact. In the end, Washington got what it wanted: an agreement among 28 countries accounting for over 85 per cent of world trade in IT products to reduce tariffs to zero by the year 2000. In these negotiations, the US employed the "APEC mandate" to good effect. As Barshefsky noted in her final press conference, "Without the support of APEC for such an agreement, there was no way this agreement would have come out of Singapore."

What the US trade representative failed to mention was that only nine of the 18 APEC countries that signed the Manila Declaration also signed on to the Singapore ITA Accord, the most significant exceptions being the Philippines, Thailand, Malaysia, and Chile. This fact was, however, drowned by the impressive show of trade diplomacy, whereby armed with the APEC Summit declaration on zero tariffs on IT, Washington could bring Europe to the table and focus the first WTO ministerial meeting on achieving something that would push principally US interests.

Many of Washington's APEC partners are still shaking their heads at the display of economic might and consummate trade diplomacy that enabled the Americans, in the space of three weeks, to use the "APEC consensus" to achieve an IT agreement at the WTO that Barshefsky admitted, quite openly, "would bring substantial benefits to the United States." Let them be warned: it is not likely to be the last time that Washington will use the APEC-WTO nexus with such devastating effectiveness.

Ceasefire in Singapore
by Walden Bello

What a difference two weeks and two locales make!

Two weeks earlier, in Manila, spokespeople of the Philippine government and representatives of the Manila People's Forum on APEC like myself had been slugging it out on television shows.

Now, here we were in Singapore in mid-December, in the midst of the World Trade Organization (WTO), sharing notes, ideas, and, yes laughter. Unusual perhaps but understandable, for common interest had pushed Philippine NGO's and the Philippine government to positions close to one another's. Indeed, in Singapore we were working on the same side: the side of the South.

During APEC, the Philippine government behaved as the champion of indiscriminate trade liberalization. In contrast, in Singapore, from Dec. 9-13, the Philippines took the position of ASEAN and of the South more generally, which was to oppose new liberalization initiatives in the WTO.

Away from the close embrace of Washington at APEC, Philippine government representatives in Singapore expressed a more critical view of the US and the North's trade policies. In fact, in his speech before the plenary on Dec. 10, Secretary of Trade and Industry Cesar Bautista sounded very much like an aggrieved Third World spokesperson:

- Some northern countries (read United States), Bautista claimed, were not living up to the GATT Agricultural Accord because they were turning export subsidies outlawed by the agreement into domestic support subsidies.
- They were not living up to the Textiles Accord because they were deliberately postponing lifting quotas on items of commercial relevance to Third World countries until the latter stages of the 10-year phaseout period.
- Echoing widespread Southern sentiment that a clause on observing "core labor standards" could become a mechanism of disguised protectionism by the North, the secretary warned that labor issues should remain the province of the International Labor Organization (ILO) rather than the World Trade Organization.

Perhaps the most notable divergence from its behavior at APEC was the Philippines' joining APEC members Malaysia, Thailand, and Chile in not signing on to the Information Technology Agreement (ITA) negotiated in the corridors of the Singapore International Convention Center by the US, European Union, and 26 other countries. This was surprising since President Fidel Ramos had only two weeks' earlier served in Manila as Bill Clinton's willing little helper in pressuring other APEC member- countries to sign on to a Declaration explicitly targetting zero tariffs in information technology by the year 2000.

In meetings with Philippine NGOs at the Oriental Hotel, Bautista told us the reason for the Philippines' interesting turnaound: only the Philippine Congress had the authority to declare zero tariffs for any category of imports. This was a very pleasant revelation, indeed, for during the APEC debate, we in the Manila People's Forum had lambasted the government's "Individual Action Plan"

for committing liberalization initiatives, like the repeal of the Retail Trade Nationalization Act, that had not yet received congressional approval.

During these consultations--which included old adversaries like Ambassador J. Antonio ("Ton") Buencamino and Assistant Secretary of Trade and Industry Edsel Custodio, one the one side, and old allies like UP Professor Oscar Zamora and MODE's Jocelyn Cajuiat and Aurora Regalado on the other--disaffection over other US and North-led initiatives bubbled up:

The European-led push to have a WTO-sponsored agreement on investment was a dangerous one that had to be stopped. Here the Philippine officials said that, like the other ASEAN countries, their position was to specify in the Ministerial Declaration that any studies of investment had to be carried out by UNCTAD (United Nations Conference on Trade and Development) and not the WTO, and that such studies should not be interpreted as giving the green light to negotiations for a investment treaty. o Similarly, the North's--and particularly, the United States'-- insistence that government procurement policies should be liberalized and brought more fully under WTO surveillance was resented by the Philippine officials, whose position was to welcome transparency in procurement processes but to insist that any agreement must respect "national policy" (read preferential treatment for local firms).

From all indications, the Philippine delegation contributed its share to expressing Southern concerns during the informal meetings where the key decisions were made during the WTO meeting, though it fell to Malaysia's colorful Trade Minister Rafidah Asiz to serve as the standard bearer of the South.

Why the difference in the Philippine government's behavior in APEC and the WTO ministerial meeting?

There were several reasons, in my view.

First, unlike in APEC, the Philippines came to Singapore with its positions synchronized with ASEAN, which continues to be dominated by trade officials skeptical of doctrinal liberalization and suspicious that global free trade arrangements mainly benefit the North.

Second, the stakes in the North-South struggle were clearly much greater at the more institutionalized GATT-WTO than in APEC, the direction of whose evolution is still uncertain. The WTO, Philippine negotiators have realized, is a real organization with teeth, where agreements have really grave consequences. During a bilateral meeting with the US in Singapore, for instance, the Philippine delegation had first hand experience in how the big powers can use the WTO process to turn the screws on smaller countries: US Department of Agriculture officials demanded that the Philippines import the originally submitted minimum access volume of 49,000 metric tons for frozen pork despite Secretary of Agriculture Salvador Escudero's best efforts to explain that this figure had been erroneously calculated and should have been only 15,000 metric tons..

Finally, few of the free trade ideologues (read economists) that dominate the discussion of trade policy in Manila were present in Singapore. The members of the Philippine delegation were the nuts-and-bolts negotiators who have experienced the realpolitik rather than speculated on the theory of world trade. As Secretary Bautista revealingly noted during his plenary speech, his assessment of global trade developments was influenced by his not being an economist but being a chemical engineer by training.

Singapore will probably be remembered as one of those rare instances when Philippine NGOs and the Philippine goverment came to a meeting with non-antagonistic positions. Unfortunately, this broad congruence of views is not likely to be maintained in Manila, where trade discussions in policy

circles tends to be dominated by the hardline free trade ideologues and economists who drown out the more cautioous views of the negotiators and technicians.

It was thus with some regret that I greeted the end of the Singapore meetings. As I told Edsel Custodio, "It's interesting how we can communicate and share positions outside the Philippines. Once we get back home, banatan na naman." (It's back to slogging it out).

REGIONAL ROUNDUP

The Manila People's Forum: An Exciting, Exhilarating Process
by Aileen Kwa*

After almost a year of preparations, the Manila People's Forum on APEC (MPFA) was held Nov. 21-23 at the Manila Mid-Town Hotel. Over 500 people attended the meeting, about 250 of whom were foreign delegates from about 28 countries. The conference was preceded by four "pre-summit" meetings on labor, environment, governance, and social and economic issues.

The MPFA was the climax of a highly exciting drama that began long before the third week of November. The key acts in this drama included:

o The leaking to the press in early September by MPFA of the highly confidential "Individual Action Plans" detailing the economic liberalization measures that the 18 member governments of APEC were promising to implement, although these had not been approved by their citizens or parliamentary bodies. Australia and the US criticized the Philippine government for the leak, and President Fidel Ramos, in turn, blamed Dr. Walden Bello, chairperson of the MPFA's International Convenors' Committee and co-director of Focus, whom he characterized as a "person well known for his extremist views."

o The Philippine government's banning in mid-October of Jose Ramos-Horta, special representative of the East Timor independence movement and Nobel Prize winner, who had been invited to be a guest speaker at the MPFA. The Philippine government's move was obviously taken to please President Suharto of Indonesia, and in the ensuring controversy, the MPFA was able to claim the moral high ground with its position that economic issues could not be divorced from the progress of human and democratic rights in the Asia-Pacific region.

o The national debate on APEC and trade liberalization, which raged in the print media and in television from mid-November on. MPFA representatives appeared in television talk shows to argue the case against free trade. However, an MPFA challenge to Philippine, US, and APEC officials to hold a formal public debate was not taken up.

o The "great debate" on whether or not "to engage APEC" that took place on the second day of the conference, where four speakers--Jane Kelsey of New Zealand, Lyuba Zarsky of the United States, and Horacio Morales, Jr. and Nicky Perlas of the Philippines --eloquently and passionately argued for their respective positions.

o The "People's Caravan" from Manila to Subic Bay, site of the APEC leaders' summit. Most of the members of the MPFA caravan were not able to reach Subic owing to a government blockade of the roads leading to the free port. However, an advance party that included Sara Larrain of Chile and Lori Wallach of the United States was able to penetrate the screen and deliver the MPFA's "Manila Declaration" and "Manila Action Agenda" to a cabinet-level Philippine government team at the gates of Subic.

The MPFA was a very successful effort, judged from its goal of providing a platform where NGO's

and people's organizations could discuss problems ignored or denied by the official APEC process and present their ideas on an alternative framework for peoples' cooperation across the Asia-Pacific region.

More than in previous APEC summits, the coverage of the parallel conference by the media was much more extensive in Manila. At first, this was due to the Ramos-Horta affair, but the press soon moved to cover the substantive issues of trade and investment liberalization. Coverage by CNN, National Public Radio (US), and other international media allowed the MPFA to state its case before an international audience, while in the Philippines local media devoted considerable attention to the MPFA's analysis of the likely impact of trade liberalization in the Philippines.

The MPFA critique, widely aired in the press, in fact placed the host government on the defensive since the latter had done very little work to justify the merits of trade liberalization to the Filipino people but relied instead on an advertising campaign with slick images but little substance.

The one drawback of the parallel conference was that it was unable to draw all of the Philippines' diverse NGO and political community under one roof. Three other parallel conferences were held, though the MPFA was by far the largest, most diverse, and most international in participation. There was another distinguishing characteristic of the MPFA, in contrast to the other conferences, and this was its focus on regional, Asia-Pacific issues rather than on national, Philippine-specific issues. Even where Philippine issues were discussed, there was always an effort to place them in a regional context.

To both the local and international press, it appeared that the MPFA had the most complex or nuanced position towards APEC. As International Convenors' Committee Chairperson Bello put it in his speech at the opening session on Nov. 21: "A nuanced position is inevitable given the diversity of groups represented at the MPFA. In the public discussions leading up to this meeting, what I have stated--and this is a personal interpretation--is that the MPFA is not necessarily against APEC. What unites all the diverse forces within the MPFA is opposition to the US-led effort to turn APEC into a free trade area.

"Were APEC simply to remain a loose consultative body for technical economic cooperation, some members of the MPFA would probably be able to live with it. It is, however, a different question when we talk about turning APEC into a mechanism for true regional cooperation.

"Here most MPFA members feel that APEC has several built-in disadvantages:
o APEC has much too narrow a focus on trade, specifically on "freeing trade."
o APEC is a club limited to business and government elites, and is, in fact, even more backward than the World Bank and the World Trade Organization, which have established mechanisms to consult, at least form-wise, non-governmental organizations;
o Decisionmaking in APEC is non-transparent and non-democratic, with this being justified by the APEC bureaucrats on the "principle" that APEC is an association of economies--the implication here being that economic decisions, such as decisions to lilberalize trade, are not matters of democratic consultation.

"For these reasons, to achieve genuine regional cooperation, we must look elsewhere." *Aileen Kwa is a research associate of Focus on the Global South. She is also currently pursuing her Phd in Development Studies at the University of Auckland.

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Declaration: Manila People's Forum on APEC

November 21-24, 1996

Reaffirming the historic Kyoto Declaration of November, 1995, we have gathered in Manila as representatives of people's movements, women's movements, trade unions, non-governmental and religious organizations from 22 nations of Asia, Pacific, the Americas and Europe. In five Pre-Forums we have studied and developed plans of action related to gender equality, labour and migrant rights, people's rights and democratization, environment and ecology, and economic and social development. In each of these events we prepared recommendations for action and further research related to APEC. While we recognize the importance of trade and rules to govern trade, we are here to oppose the kind of trade represented by the APEC process of global economic integration in service to a corporate agenda at the expense of the human rights, dignity and well-being of the peoples of this region. We are also here to learn from each other and to strengthen our linkages and solidarity with organizations and movements throughout the APEC region.

APEC '96 has been portrayed by the host government as having injected a "social face" into the process by the inclusion of elements of civil society in preparation for this week's meetings. However, the real face of APEC has been deftly revealed by the refusal of the host Philippine government to allow Nobel Peace Prize winner Jose Ramos Horta and other foreign delegates entry into the Philippines to participate in this forum, as well as the repression of any form of protest for the duration of the APEC meetings. It has also been painfully demonstrated by the demolition of urban poor homes and the forced removal of hundreds of thousands of poor people from Manila so that the corporate and political elites attending APEC will not be disturbed by seeing them.

Hiding the poor will not erase poverty. Nor will refusing entry to a Nobel Peace laureate bring peace and justice to the people of East Timor. These acts only amplify the demands and strengthen the resistance of the people of this region against the wholesale surrender of their sovereignty, their cultural integrity and the economic well-being to the APEC agenda. The people are not "human resources" to be minded, exploited and depleted. The people are the wealth and the future of our nations, whose well- being defines development and whose participation makes it possible.

Political leaders, following the lead of transnational corporations like mice following a trail of spilled grain, are pursuing an illusion of a borderless world in which riches would flow without impediment into their national cofferes or the accounts of their corporate allies. We call on them to abandon that fantasy, and wake up to the reality that our legacy, our dignity, our culture and our natural world are being drained away instead into the offshore accounts of global robber barons.

We call instead on all the governments participating in the APEC "summit" to fulfill the democratic mandate to secure justice, preserve the dignity and advance the economic, social and cultural well-being of all the people, and protect the natural heritage for our children's children.

In particular, we recommend to the governments of APEC, NGOs and people's organizations the following considerations and principles for action:

GENDER AND ECONOMIC LIBERALIZATION

In every country, women and the poorest of the poor. Women carry the brunt of free trade policies which have had a devastating impact on women's rights. The loss of livelihoods and decreasing control over resources are increasing women's inequality. We reject economic and social systems which create and perpetuate the exploitation of women's bodies, and call on governments to make the eradication of women's poverty a priority. Further, the unpaid labour of women should be measured and included in satellite accounts parallel to national accounts as agreed to at the Fourth World Conference on Women at Beijing in 1995.

ECONOMIC AND SOCIAL DEVELOPMENT

In a global economy dominated by transnational corporations with their operation in almost every country, the theoretical underpinning of free trade is no longer tenable. Yet, free trade is still dominant in APEC's development policy.

Genuine development must be centred on the needs of people and nature, and deliver real social and economic justice. However, the kind of globalization being pushed by big business and neo-liberal governments and institutions is creating an economic and financial framework that widens povery throughout the APEC region. In both developed and underdeveloped countries, poverty continues to deepen both in character and magnitude. No longer do most people of developed countries enjoy the economic and social benefits of their countries' affluence. Worse, structural adjustment, which is integral to APEC agenda, dictates severe cuts to social infrastructure, leaving poor people more vulnerable and intensifying social stratification and disintegration.

APEC governments are instituting economic, financial and social policies and programmes that are biased against sustainable and self-sufficient production in favour of rapid industrialization for export markets. The net effect is further dispossession of indigenous peoples, heightened rural poverty and aggravated exploitation of newly urbanized industrial workers. Women suffer most from these changes, ending up as cheap labour, overseas migrant workers or prostitutes at the mercy of international traffickers.

Children too are not spared. Child labour and child prositution are becoming rampant in many APEC nations. The violation of the rights of the child, including the right to education and security of person, are also common in many APEC nations. We call upon all governments, NGOs and people's organizations and civil society to defend and promote the child's best interests, as provided for in the UN Convention on the Rights of the Child.

HUMAN AND PEOPLES' RIGHTS

We reaffirm the universality, interrelatedness and interdependence of human rights as the highest priority of states. The rights of the majority of our populations continue to be violated. We are already living with the negative impacts of economic liberalization. In the face of overt human rights violations spawned by the accelerated economic liberalization policies of Asia-Pacific and Latin American governments, we call on the peoples of the region to assert and defend their rights, including the right to basic food security and livelihood; to independent economic, social, political and environmental policies and programmes, to self- determination to manage, protect, develop and defend ancestral domains of indigenous peoples; to gender equality; and to the rule of law in respect for human rights.

We demand the end of state-supported violence in the name of economic and financial liberalization, and the incorporation of respect for human and peoples' rights in the negotiation of trade and economic agreements. We demand the unconditional release of all political prisoners.

GOVERNANCE AND THE ROLE OF THE STATE

Since its inception, APEC has deliberately conducted its agenda in an antidemocratic manner without transparency, accountability, or popular participation. This is symptomatic of the underlying neo- liberal model, which seeks to transfer power from states to markets. The resulting lack of democracy is manifested in all levels of the policies and practices of APEC -- subsuming states to the directives of business advisory bodies, corporations and international financial institutions.

Among APEC states are some of the most authoritarian governments in the world. More and more governments, due to pressure from their neighbours or on their own volition, are undertaking anti-democratic practices. What is urgently needed now is a strategy to mobilize democratic forces against the arbitrary powers of state, corporations and policy bureaucracies and their economic institutions, including APEC.

Governments must put in place rules and mechanisms to regulate and monitor the conduct of TNCs, particularly with respect to their ecologically damaging practices and their obligations to their employees with respect to laws regulating wages, benefits, health and safety and other labour standards.

We demand a highly inclusive level of political participation in the selection of leaders and policies so that no major social group is excluded. We demand a level of civil and political liberties -- freedom of expression, freedom of the press, freedom to form organizations -- sufficient to ensure the integrity of governance and meaningful participation. We further demand support for the democractic values associated with community and social justice which lend substance to a genuine concern with social and economic rights.

LABOUR AND MIGRANT RIGHTS

Global market pressures reinforce and magnify state repression of workers, or undermine the ability of some governments to protect labour standards. Globalization also undermines the security of employment, the right to a living wage, and the ability to organize and bargain collectively. The resulting pressure on workers to survive leads to the "informalization" of the workforce. Informalization is turning workers, in both the formal and informal sectors, into an even cheaper, more docile, exploited and un-unionized labour force, and impacts particularly on women. It forces families to resort to sending their children to work, and some women to engage in prostitution to survive.

Globalization intensifies migration, and also has a particularly negative impact on women. The exploitative system of migrant labour recruitment, often operating outside state regulation, must be addressed by governments. Special attention must be given to the rampant and brutal abuses associated with the feminization of migration, and the violation of the human rights of both documented and undocumented migrant workers.

Governments must respect, improve and enforce national labour laws, which are consistent with internationally recognized basic labour rights, and refrain from involving military or police in labour disputes to intimidate workers, or as corporate scabs. We insist that each government develop and maintain workplace health and safety laws and that failure to provide, or continually lowering, workplace safety standards no longer be used to entice or retain investment.

We demand the repeal of anti-migrant laws and policies in both sending and receiving countries. These measures must include the regularization of all undocumented workers. Governments should advance the welfare and protection of migrant workers by ratifying the UN Convention for the Protection of the Rights of all Migrant Workers and Members of Their Families, and through bilateral agreements with receiving countries.

ECOLOGY AND ENVIRONMENT

The experience of Chile and Taiwan demonstrates that liberalized trade and investment will further accelerate environmental degradation. Exploitation of natural resources for export resulting in deforestation, depletion of fish stocks, destruction of coral reefs and mangrove forests,

desertification and loss of control by communities and indigenous peoples over their ancestral doman (land, air, water, skills and knowledge) are what we have already witnessed. Continuing to rely on non-renewable, polluting energy sources to fuel the demands of industrialization causes irreversible damage to ecosystems and human health, and robs future generations of a resource base for their survival. The dumping of toxic waste, export of hazardous materials, and migration of dirty technology to developing countries leads to environmental catastrophe, with terrible consequences for human health.

To prevent thse devastating effects, we bind ourselves to the principles of ecologically and sustainable social development that is people-oriented and environment based, protects biodiversity, and places a premium on preserving women's livelihoods, people's participation, and improved quality of life. We reject any slogan of "sustainable development" which fails to include these elements.

We call for the support and strengthening of people's movements, especially farmers and fisherfolks, who are resisting injustice and encroachment to their lands and livelihoods by transnational corporations and so-called development programmes.

ONWARD TO VANCOUVER

We are confident that the struggles of people throughout Asia, Pacific and the Americas to expose the false promises of APEC have succeeded in challenging the narrow interests that are driving this process. We have grown in numbers and understanding, in mobilization and strength during the past three years of popular activity. We have established an ambitious programme of research and mobilization to prepare for the next phase of our work in developing liveable and sustainable alternatives to market-driven globalization based on the principles of democracy, equality and social justice. We will meet next year in Vancouver to continue this effort. During the next year, our work will focus on the role of the state, the environment, and an alternative economic agenda.

Action proposals from the Pre-Forums and the People's Forum are appended to provide guidance for this work.

The WTO Singapore Ministerial Conference: The Beginning of the End?
by Aileen Kwa*

Friday 13th, December 1996: The first WTO Ministerial Conference in Singapore concluded with loud applause, with delegates tapping each other on the back for a job well done. The celebratory atmosphere continued that night when delegates gathered on Sentosa island which had been closed to the public. The concert that was staged in the backdrop of Sentosa's well- known musical fountain began in style and grandeur with an item entitled ÔThunder', where about 10 separate groups of drummers from different continents showed off their distinctive drum rhythms and strains. This culminated in the different groups playing in unison. The effect was nothing short of spectacular.

No doubt, everyone caught the message the choreographers had intended - the unity and spectacle in all that diversity of cultures. However, coupled with the fact that it was Friday the 13th, the irony was glaring. How much of traditional culture is likely to survive when intensely competitive world trade, dominated by the interests of one or two of the largest economies is the order of the day?

The process of negotiations and the issues dealt with at the WTO Singapore Ministerial Conference (SMC) was indicative of the injustice and inequalities that were being institutionalised within the trade body. This is the same institution that was originally conceived of to regulate world trade in order to ensure greater equality between trading partners irrespective of economic prowess. It is

therefore a member-based organisation which works on the principle of consensus as well as a set of rules and a dispute settlement system.

The supposed level playing field, however, is sadly far from what happens in reality. This was both at the SMC as well as in the day-to-day functioning of the WTO in Geneva. Developing countries, especially the LLDCs (lower-income developing countries) many of which are from the Carribean, Africa, and the Pacific, are totally powerless and voiceless and are unable to effectively put forth their views such that the issues they want discussed would be tabled and dealt with in any substantial manner. At the SMC for instance, the agenda was almost wholly US and EU led. This was in large part also because of the undemocratic and non-transparent process used in negotiations, as well as the cross sectoral bargaining which characterises WTO negotiations.

Hence instead of the meeting taking stock of the implementation of the Uruguay Round, as was originally conceived, the Information Technology Agreement (ITA), telecommunications deal as well as new issues such as investment, government procurement, labour standards and competition policy high jacked the week's agenda.

How was this possible when all members are theoretically equal within the body and four-fifths of its members are developing countries?

The Unheard Voices of the Developing Countries

While the main negotiations at the SMC were taking place, presentations at the plenary were being delivered by member countries throughout the week. Many developing countries delivered speeches which pointedly expressed their hopes, views and reservations about the work of the WTO. Indeed, as the week wore on, and as it became increasingly clear that the week's agenda would be almost solely concerned with US / EU interests, the plenary speeches by the developing countries became more and more succinct and direct in commenting on their unfulfilled expectations of the meeting. These plenary speeches were important as it became the only public fora developing countries had to put on record how they wanted the obviously northern-led WTO to best serve their interests. Some of the points made in these speeches are illustrated below. The sharp contrast between the interests of these countries as well as what became the agenda of the week is striking.

The Continued Restrictions by Developed Countries on Textiles and Clothing

Of particular interest was the fact that many countries wanted more substantive discussion on the ATC (Agreement on Textiles and Clothing) and the dismantling of restrictions by the developed countries in this sector.

Thailand and India for instance called for further integration of textiles into the rules of the WTO. Portugal pointed out that some members had not met their commitments in this area and Pakistan noted that rather than liberalisation, there was even a trend towards further restrictions in this area. Indonesia, too, expressed the proliferation of safeguard actions by certain developed countries. Honduras expressed concern that the agreement on textiles and clothing has not been strictly implemented and said that the Textile Monitoring Body should be impartial and transparent. Kenya said it saw no immediate benefit accruing to developing countries if the textile products they export are integrated only in the final phases of the transition period, as indeed seems to be the case thus far.

In their attempts to make their voices heard, the International Textiles and Clothing Bureau (ITCB), an association of textile exporting countries held a press conference mid-way through the week voicing their disappointment at the slow and reluctant implementation of the Agreement on Textiles

and Clothing (ATC) by the US and EU.

Concern was expressed in four main areas. Firstly, no progress has been made in the first two-year phase of the ATC to liberalise restricted products despite the promise to ensure integration of up to 16% of products. The second phase of the ATC is to commence on January 1 1998. It is expected that the EU will liberalise only 3.6% of imports and the US less than 1.3%. This is far lower than the 17 % integration that was agreed upon in the second phase. Given the slow progress made, the ITCB noted that full integration of textiles into the GATT by the agreed upon target of 2005 may not be reached.

A second concern is the abuse of transitional safeguards by the US. The ATC has stipulated that safeguards should be used sparingly. However, the first 6 months of the ATC saw the US applying 24 safeguards to 14 countries. In several cases, these safeguards were found to be unwarranted and were later withdrawn. The EU has not used transitional safeguards but has imposed restrictions by way of anti-dumping actions.

In mid 1996, the US introduced their own Rules of Origin, that is, rules identifying where textiles or garments come from. Under these rules, the emphasis is not on where value is added but where substantive transformation takes place. Developing countries are very concerned as these changes will adversely affect their economies.

The developing countries of the ITCB also called on the Textile Monitoring Body (TMB), the quasi-judiciary body which implements the ATC, to be more transparent and to ensure that justification is provided when decisions are made.

According to the ITCB, the text on textiles in the Ministerial Declaration of the SMC does not adequately cover concerns of the developing countries. The text is deliberately vague. It states that there should be Ôprogressive' inclusion of restricted textile products, hence ignoring the concrete targets set out in the ATC.

As textiles and clothing represent a substantial portion of the economy of many developing countries, the ITCB noted that the interests of developing countries remained sidelined despite the rhetoric of free trade and liberalisation within the WTO.

On Continued Restrictions in Agriculture

Argentina spoke up on the lack of progress in the area of agricultural liberalisation, stating that the issues had been blocked by some who want to subsidise production so that progress to date has been extremely unsatisfactory. Brazil too, urged all members to comply with their commitments on agriculture. The Philippines called for the Committee on Agriculture to devote more attention to compliance with domestic support and export subsidy commitments. And both the Philippines and Nicaragua expressed concern about the application of sanitary measures which is impairing market access. Sri Lanka voiced the need for careful monitoring of the impact of the agriculture agreement on net food- importing countries, with Paraguay also calling for immediate initiation of preparations for negotiations on agriculture. Honduras too expressed concern that the agricultural sector is not fully integrated into the multilateral trading system and that sanitary and technical restrictions are applied. India also stated that the adverse effects of the TRIPs agreement on developing countries should be addressed. Turkey also supported the initiation of negotiations called for in the TRIPS agreement as early as possible.

Other Issues Raised by the Developing Countries

Some of the other issues developing countries, particularly the LLDCs expressed, were concern over the new issues being introduced at the Ministerial Conference. Many said that existing issues were already too much of a burden to cope with and that new issues would not serve their interests. Yet others spoke of the exclusion they faced as small economies in the negotiations despite supposedly being equal members of the organisation. The lack of resources and the critical need for technical assistance, but assistance that will serve the interests of the receiving country was also expressed.

Many of the smaller economies, such as the SADC (Southern African Development Community), Fiji, Mauritius and the Solomon Islands stated that preferential trading arrangements for developing countries should be extended beyond the year 2000. This would provide the developing countries the breathing space needed to adapt their economies to the competitive trading environment.

Kenya made the point that the composition of the WTO Secretariat should be more representative of the geographical composition of WTO members.

On the third day of the SMC, Sri Lanka stated that it is imprudent to overload the WTO with issues that fall under the mandate of other international organisations. Botswana urged the acceleration of Uruguay Round commitments to cut tariffs, particularly those applied to products of importance to developing countries.

By the fourth and last day of the plenary speeches, developing countries, increasingly put out by the week's proceedings became more pointed in their statements:

Many developing countries stated their reservations about the new issues that the developed countries were pushing for. Papua New Guinea, for example, commented that it had strong reservations regarding a WTO investment agreement as it would push them into the vicious spiral of aid dependency. Malawi, too, voiced that attempts to harmonise investment policies would impede members' ability to achieve national priorities in their development strategies.

Several small economies, such as St Kitts and Nevis also voiced the concern that they lacked the institutional capacity and resources to undertake the additional commitment a competition policy in the WTO would involve.

As an observer, China pertinently noted that a few major players were dominating the multilateral decision-making process and exerting pressure on others to introduce issues irrelevant to trade. Numerous other countries were recommending that the WTO avoid overloading its agenda with matters belonging to other multilateral institutions. Mozambique, for example, stated that the LLDCs were overwhelmed with implementation of the Marrakesh agreement and rather than rushing into new issues, would prefer that Ôgradualism' is required. Cuba, too, had earlier in the week voiced concern that developing countries had not yet managed to assimilate the Uruguay Round provisions, and that the minimum provisions for assistance have not been adopted.

Dominica issued a strong statement that due to the lack of resources, many developing countries were unable to actively participate in the Uruguay Round and therefore accepted a text negotiated by others. These countries are now grappling with the implications of their commitments and tangible benefits have been difficult to identify.

St Lucia noted that a number of countries that are small or dependent on a single commodity for exports have enormous difficulties competing in the global economy and require special attention. The Maldives asked what the WTO has to offer if a single-product exporter has problems. They stated that if the WTO is to remain relevant, it has to create opportunities for the LLDCs.

Dominica also stated that the present dispute settlement system was unfavourable in regards to the participation of small and institutionally weak members.

As illustrated above, there are numerous issues which developing countries would have liked to see tackled. Instead few of these were dealt with at the SMC.

In the end, a hastily put together carrot stick offered to the LLDCs was a plan of action the SMC came out with agreeing to help the LLDCs improve their capacity to respond to opportunities of the trading system and to offer these countries favourable market access conditions for LLDCs' products. As Sir Leon Brittan, the Vice-President of the EU Commission revealing stated in a press statement issued on the last day of the SMC, ÔThis was almost a forgotten issue'. Given the reluctance of the developed countries to liberalise in the areas that will most help these countries - textiles and agriculture - it remains to be seen how effective this plan of action will really be.

The US / EU Agenda for the WTO SMC

In contrast to the interests of the developing countries, the US was strongly pushing for the ITA and telecommunications deal to be completed and the EU, the inclusion of the investment issue in the WTO.

The advantage and the apparent necessity to all countries to liberalise in these areas was highlighted by both Brittan and the US Trade Representative, Charlene Barshefsky. At a press conference given by the EU, Brittan commented on the issue of telecommunications, stating that Some countries say that they cannot afford to open up. I would say that they cannot afford not to open up their telecommunications. This is a catalytic industry. Opening up the telecommunications market will have a positive effect for not just the telecommunications industry but the market as a whole. With the increased use of high technology, opening up the telecommunications market to foreigners does not mean being swallowed up, but increasing diversity.'

Similarly, Barshefsky noted that The telecommunication investment is atypical of inward investment in many countries. It is usually larger than other investments and is long-term in nature. That is, it is a permanent investment and therefore can generate jobs and growth. This is the difference from other types of investments which may be exploitative. It is neither an export or import. It takes the cooperation of 2 countries and will expand trade globally. It is like a handshake. The issue is not a north versus south issue. Both types of economies can benefit equally. This is what is unusual about growth in this industry.'

She cited Chile as an example of a success story. Once the infrastructure had been built, there was a very significant increase in traffic in their telecommunication lines.

Barshefsky added that the US information economy represents 1/6 of its total economy. Worldwide, the information economy represents 1/16 of the total world economy. The difference, she told the press, between 1/6 and 1/16 is job growth.

Similarly, the Information Technology Agreement, said Barshefsky, can be likened to the cars and trucks on the road. Telecommunications are like building the roads. We are not talking about anyone having an advantage in exports or imports'.

She further adds that developing countries do see the advantage of opening up their markets as it will lead to decreased prices. Currently, more money is being spent on telecommunications than on oil. People are therefore paying too much all over the world for telecommunications. We want to lower the market price but need open markets in order to do so.'

Despite their rather convincing comments on mutual benefit, it is clear that the largest gains will go to the US. The ITA is a political and economic victory for the Clinton administration. The US accounts for 50% of the IT market. 1.8 million jobs in the US are IT-related and US IT exports amounted to $90 billion in 1995. With the greater market access to US IT products this agreement brings, employment in this industry will certainly increase. The other economies which will benefit are several of the East Asian and Southeast Asian countries which are also manufacturers of IT products.

The majority of countries, many of these are low-income economies will more likely be disadvantaged. No South Asian, Latin American or African country is part of the 28 countries which have signed on the ITA. However, lower cost IT products will be made available to them, given the Most Favoured Nation (MFN) status. This could be beneficial to them in the development of their industries. However, it will also stop the growth of any local IT industry from being developed, should they wish to do so in the future. At the same time, the increasing need for IT products will force these countries to increase their IT imports, leading to a greater problem with their balance of payments as well as a largely US / Japan monopolisation of the market. Even though they are not signatories to the ITA, it would become increasingly difficult for them to continue protecting their markets.

Likewise, the EU had been pushing for investment to be brought into the WTO. This was openly supported by the WTO Secretariat even before the SMC, despite the fact that many developing countries had stated their strong stand against such a move. Brittan in his comments to the press at the SMC said that he hoped Ôdeveloping countries will understand that there should be discussion in the WTO on investment. There is currently a shortage of investments. Investments are flowing to countries with an open environment. We need to find an agreement within the WTO on investments such that it meets the concerns of all.

In the end a study on the issue was agreed upon but one which would not automatically lead to negotiations being carried out within the WTO. The other issues raised by the developed countries, and which were heatedly debated, were labour rights, competition policy and government procurement. These issues which took up the rest of the time at the SMC led to the matters important to the developing countries being largely sidestepped.

Developing Countries Powerless in a System based on Bargaining and Reciprocity

Despite being the majority within the WTO, the developing countries were unable to significantly tailor the agenda of the week to suit their needs. They loose out because as small economies, they have no clout in a system that works on cross sectoral bargaining and reciprocity.

Essentially, the poorer countries are not in a position to combat pressures put on them by the major trading nations if they are dependent on these nations in one way or another. For instance, the US could promise to ease up slightly on their textiles restrictions should India agree to a study on investments within the WTO. Since India's economy is fairly heavily dependent on textiles and clothing, they may feel pressured to agree to such an arrangement. Alternatively, an African country such as Burundi which is in the throes of civil war may be promised much needed technical assistance should they agree to liberalising in the telecommunications sector.

As Das of the Third World Network writes, this principle of reciprocity

Ôis appropriate among countries at almost similar levels of economic development; but it does not work well when there are wide economic disparities among the participants. The principle of reciprocity implies that you get more, if you give more. If you are not capable of giving, you do not

get anything. In this process, disparities have grown over time between the rich countries that can give and the poor countries that do not have the capacity to give' (Bhagirath Lal Das 1996, Third World Network WTO Ministerial Conference Briefings No. 1, ÔKeep WTO on Track').

Lack of Coordination between the Developing Countries

To further compound the situation, there is very little cooperation and consensus between the developing countries on the various contentious issues. While this is understandable given the vast diversity in the economies of the developing world and their corresponding differences in interests, their lack of cooperation is a great loss to the group as a whole.

Contrary to this, the developed countries are much more strategic. At the SMC as well as during the normal run of events at the WTO Geneva headquarters, meetings are frequently held amongst the QUAD (quadrilateral countries). These included the US, the EU representing 15 countries, Japan and Canada. The developing countries, however, do not organise themselves into groupings and in the end, find themselves being largely reactive to what was going on, rather than proactive in negotiations.

Non-Transparent Process

One of the most striking features of the WTO process at the SMC was the lack of transparency even for delegates themselves. The Secretariat and host of the SMC seemed to use their privileged position in favour of the US, EU and other more powerful trading economies.

The main negotiations took place in informal group meetings between about 30 countries out of the total 127 members. This group was chosen by the Chairperson, Yeo Cheow Tong and the Director General Renato Ruggerio. There had been no prior consensus about how the composition of the group had been arrived at. This left many delegates of the developing countries unaware of where the critical negotiations were talking place and what the latest developments were.

Given that enough of them voiced complaints, the issue of the need for greater transparency was addressed in the final press conference delivered by the WTO Secretariat. Both Ruggerio and Yeo explained that in wanting to maintain a certain level of efficiency, they had chosen a group that was representative of a diversity of interests.

They acknowledged that the transparency process had to be improved in the future but without compromising on efficiency. When asked how they envisaged doing this, however, they said that it was yet to be decided.

It is alarming that an important issue such as the equal participation of a member-driven organisation is not even given time and space for reflection at the SMC, highlighting again, the power imbalance at work at the conference.

Human Resource Imbalance

The other major factor that is the reason for the huge power imbalance in the WTO process is the stark difference in human resource capacity between the countries. The US, for example, sent over 100 delegates to the WTO, while most of the developing countries had about 6 or fewer representatives.

Similarly, on a day-to-day basis, many of the developed countries have a team of 12-14 persons working solely on the WTO in Geneva. This does not include the huge numbers that will be working on WTO issues in their capital cities. In contrast, of the 29 LLDCs, only 10 of them have a permanent

office in Geneva. And most of them only 1 or 2 persons in their office covering the work of all the international bodies based there.

Therefore, while the rules based system is being expounded as one of the best features of the multilateral trading organisation which will benefit the developing countries, the poorest of these unfortunately do not possess the resources needed to make full use of the system, nor the technical expertise required. The WTO Secretariat is currently offering courses to trade officials of developing countries in order to upskill the bureaucrats on the technicalities of trade. Developed countries too are offering some amount of technical assistance. The help offered, however, is but a drop in the ocean in comparison to the need.

In the meantime, decisions which have a huge impact on the lives of millions in these countries continue to be made for these countries within the WTO.

The WTO: Towards a Resolution of the World Crises or an Impending Disaster?

The aim of completely liberalising trade in the many areas covered by the WTO, or Ôfree trade', is often made out to be the best solution to many of the problems countries are facing today. In the past, however, we have seen different economic theories coming into vogue and going out of fashion again, as solutions do not seem to be forthcoming.

Likewise with the current trend. Although free trade is often made out to be the necessary path to tread by its proponents, it remains an economic theory. The world is its laboratory. In fact, the exact formula, the chemicals and their quantities used in this particular laboratory test are arbitrary, and are largely decided, as the experiment progresses, by the most powerful economies. The chemicals prescribed are those which these rich economies have in abundance. The poorer countries find that they have to pay a very high price in order to partake in this experiment.

Take for example the issues and areas in the WTO where most work is being carried out. The developed countries have been dragging their feet in the liberalisation of areas that would most hurt their economies. Developing countries had consented to having the Multifibre Agreement (MFA) in the early 1970s because they had been promised that market restrictions in textiles and clothing in the developed exporting countries will be reduced after an interim adjustment period. However, the MFA was instead renewed every 4-5 years for the next two decades with no sign of liberalisation. This situation changed only with the completion of the Uruguay Round. Even then, there has hardly been any progress in liberalisation in this area. Likewise, although the removal of direct subsidies to farmers in the EU and US would mean fairer trade in agriculture and would stop the destruction of the agricultural sector in many developing countries, progress here is also slow. Since it would impinge on the interests of the US and EU, there is little political will to hasten the liberalisation processes.

In contrast, almost total liberalisation in new areas such as IT and telecommunications are being implemented within a short period of time. Here, liberalisation is put on the fast track with the reasoning that it is beneficial for everyone. What sectors and issues should be made a part of the global Ôfree trade' agenda therefore really depends on which countries hold more clout in the trading regime and hence are poised to have their wishes implemented. At the same time, the reigning ideology propagated is that the particular path set out is the only possible and best path to take.

Furthermore, no one really knows what the exact benefits of this Ôfree trade' experiment will be for the poorer countries. The benefits of the complete implementation of the Uruguay Round had been estimated at $500 billion at the end of 1994. The WTO economists have found that this was too

liberal an estimate and has brought the figure down to the range of $300 billion. According to most accounts, the actual effects by many of the poorest countries, a large number of these are in Africa, will in fact be negative. In response to this, Richard Blackwell, the chief economist of the WTO at the SMC said that this was because these studies had focused mainly on the lack of market access African countries had in terms of world trade. In contrast, WTO estimates positive gains by these countries because they factored in the gains of small economies by having a rules based trade organisation with a dispute settlement system. Despite the optimism about the benefits of such a structure, to date, none of the LLDCs have yet to bring a dispute to the WTO Secretariat. The country that is using the system most frequently is still the US. So while the effects of what is being implemented now, especially on the majority of poorer countries have not been thoroughly looked into, the work of the organisation charges ahead. Its effects changing the lives of millions worldwide. The Secretariat is also proud of the fact that there are a string of countries knocking at the door of the organisation wanting to become members. This is used as justification of the good and desirable work of the body. In reality though, poorer countries have little choice in the matter. They either get themselves registered as a member of the laboratory experiment, or get totally isolated. Many only begin to realise the implication of GATT / WTO decisions after these have been agreed to. A continuation of the way the WTO currently functions will lead the world head-long towards a catastrophic end, especially if domination by certain countries remains the status quo without any regard for the needs of the poorer economies. Ultimately, such as system will essentially mean the rich countries institutionalising and justifying, through a supposedly rules and consensus-based global organisation, their colonisation over the rest of the world's resources. If the WTO is to truly work in the interest of all its members, it must change its bullying tactics. As a global body, the excuse that it works in a non-transparent manner for greater efficiency is a flimsy one, and greatly threatens the credibility of the organisation. In order to be an organisation which governs multilateral trade and one which aims to work for the benefit of all its members, it has to be cognisant of the fact that a power imbalance exists in the organisation and the current process employed only reinforces this imbalance. It must therefore hold as top priority, the righting of such an imbalance. This would mean keeping in focus, the needs of its diverse members, especially the majority developing countries. There should not therefore be a dichotomy drawn between trade and development. It is commonly assumed that the WTO should engage in trade issues and leave the development concerns of its members to other international agencies. The reality, however, is that while the WTO does not concern itself very much with the development needs of its poorer members, it certainly is extremely concerned with those of its richer members. Hence, its preoccupation with IT; the introduction of services and intellectual property rights into the GATT, the WTO's predecessor; as well as attempts to bring in such issues as the liberalisation of investment under its auspices. These are obviously areas that would benefit the richer countries given their particular stage of economic and industrial development. Since the patterns of trade will impact positively or negatively on all countries in myriad ways and also affect the development concerns of countries, these development needs must be kept at the forefront. For example, the WTO must make it its concern that there are 800 million suffering from chronic hunger amongst its member countries. The fact that there are 1.3 billion who occupy the ranks of extreme poverty - a fifth of the world's population, and that this poverty is a feminised phenomena should also be a concern. Furthermore, it must also keep in view the fact that the crisis of today is an ecological one.

Since these are the conditions many WTO members are grappling with, the organisation can only claim to meet the needs of its members if it continually evaluates its policy impact on these realities and allows itself to be an enabling factor in the resolution of these crises.

In this process, it must ensure that it gives countries the sovereignty and right to choose the path of development that meets their needs. There is no blanket solution for all economies. Countries must not be arm twisted into liberalisation. Trade liberalisation can be enabling, but how much and in

which areas must be decided upon on a country-by-country basis and with great discretion.

*Aileen Kwa is a research associate of Focus on the Global South. She is also currently pursuing her Phd in Development Studies at the University of Auckland.

ANNOUNCEMENTS

Will Today's Asia-Pacific End up like Europe in 1914?

This is one of the concerns that has prompted the Peace Research Institute of Tokyo's International Christian University, Focus on the Global South of Chulalongkorn University's Social Research Institute in Bangkok, and Berkeley's Nautilus Institute for Security and Sustainable Development to sponsor a conference on

ALTERNATIVE SECURITY SYSTEMS IN THE ASIA PACIFIC REGION
at Chulalongkorn University in Bangkok, Thailand, March 27-30, 1997.

In the aftermath of the November 1996 APEC Summit, the Asia- Pacific region may look relatively placid, but it is actually a thinderbox of territorial disputes, resource conflicts, antagonisms inherited from the Cold War, and a variety of internal struggles with external impacts.

With the end of the Cold War, hopes were high that conditions of lasting peace would be created in the region. However, prosperity, instead of spinning off peace, has sparked an arms race, and, despite some tentative initiatives, a multilateral system to preserve the peace is nowhere in sight. Instead, what passes for a regional security system is a volatile informal system with three legs: continuing US unilateralism, balance-of-power diplomacy, and arms races. There is, indeed, a resemblance between fin-de-siecle Asia-Pacific region and late 19th century Europe, which was entrapped in what Henry Kissinger called Ôthe balance-of-power doomsday machine.'

NGO's and people's organisations took the lead in opposing the nuclearization of the Pacific during the Cold War. In the post-Cold War era, however, aside from the nuclear question, security issues have not had as much prominence among NGO concerns as environment and development issues. Indeed, the much-vaunted Southeast Asia Nuclear Weapons Free Zone (SEANWFZ) is largely a governmental initiative, and there is little genuine NGO participation in the ASEAN Regional Forum.

Yet civil society throughout the world has been full of rich explorations into new concepts of security, such as real security or comprehensive security. There is also an increasing recognition by citizens' groups that multilateral security systems are not enough, and lasting peace can only be achieved via people-centred security systems rather than state-centric ones.

This conference seeks to bring the security question to the top of the agenda of civil society in the Asia-Pacific. Activists and academic experts, citizens and selected representatives of governments and multilateral organisations from various parts of the region will come together for a close look at the points of tension and conflict in the region and discuss ways to create the new institutions of peace and security that are so necessary if the region is to avoid the fate of Europe of 1914.

For more information, please get in touch with:

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