
Gerard Downes

The investigative work conducted by Fatoumata Jawara and Eileen Kwa in this illuminating book shatters the illusion that the one-member, one-vote system of governance within the World Trade Organization (WTO) makes it the most democratic of all intergovernmental institutions with a global mandate. The authors conducted research and semi-structured interviews with 33 Geneva-based missions to the WTO and with ten WTO Secretariat staff members between February and August 2002. Such detective work forms the basis of the book and gives lie to the claim that the current round of WTO negotiations represents a ‘Development Agenda’.

Much research has already been undertaken by Robert Weissman and the Australian academic Peter Drahos into how the trade-related aspects of intellectual property rights agreement (TRIPs) was placed within the remit of the WTO by nefarious means. Readers familiar with that work will not be unduly surprised at the strong-arm tactics and bullying employed to secure compliance during the WTO negotiating process that is further elucidated here.

According to the authors, some of the strategies utilized to ensure compliance with the wishes and interests of wealthier WTO members include what they call ‘inducements in the form of a few crumbs to negotiators and governments’. In an explosive chapter entitled ‘The gentle art of persuasion’, Jawara and Kwa highlight how several countries, which refuse to bend to the wishes of mightier powers, have been placed on a blacklist of unfriendly states and had their preferential trade agreements suspended. The bullying of non-compliant WTO ambassadors is also highlighted here, as is the dissemination of disinformation and threats used to pressurize delegates into consensus. The classic divide-and-rule scenario, which in the WTO consists of pitting middle-income members against lower-income countries, is also given due attention.

What the authors ultimately reveal is that the WTO, an organization ostensibly committed to the liberalization of trade, is instead being moulded into a latter-day mercantilist haven by a coterie of vested interests. It is curious then that Jawara and Kwa refer to a group of neo-colonialists expounding the virtues of Adam Smith when in fact almost every powerful country in the global trading system practises the antithesis of what the Scottish philosopher preached. Smith’s name, however, is regularly, if infuriatingly, taken in vain.

The authors assert that while the process of globalization has the capability to ameliorate the world terms of trade and improve the lot of many developing countries, its manifestation in the WTO is to the detriment of poorer nations. Jawara and Kwa cite several examples to buttress their case. They point out that global markets in agriculture and textiles, i.e. areas
where certain developing countries have a comparative advantage, are not liberalized. In the WTO’s General Agreement on Trade in Services (GATS) a similar scenario applies: liberalization has taken place in sectors where developed countries have a comparative advantage, such as financial services and information technology. Other areas where liberalization would result in benefits accruing to developing countries, such as maritime and construction services, have been forcibly kept outside the WTO. This is, the authors maintain, because international trade in services is dominated by a few large multinational corporations which are represented within the WTO by several powerful members.

Culprits-in-chief according to the authors are the group known as the ‘Quad’, which comprises the United States, Canada, Japan and the European Union. Jawara and Kwa maintain that the Quad uses fora which are outside conventional WTO structures, such as ‘mini-ministerials’ and the notorious ‘Green room’, to promulgate their agendas. The Green room process was created during the Uruguay Round of trade talks (1986–93) and consists of a select group of members meeting unofficially but presenting their findings to other WTO members as a fait accompli.

To their credit, the authors use hard data to illustrate how developing countries are grossly under-represented at the mini-ministerials. While this is one of the book’s strengths, one of its faults is that the interviewees quoted are almost always anonymous. Another minor gripe with the interview process is that the questions asked of WTO Secretariat staff are not presented here. Overall, however, Jawara and Kwa have done an outstanding job not only in describing the many problems inherent in the multilateral trading system but also in proffering their own solutions, some of which are highly constructive.

Nobody could be in any doubt at the book’s end that the WTO, an organization whose procedures even the EU Commissioner Pascal Lamy referred to as ‘medieval’, requires radical remedial work. One might also be filled with despair for the future of the multilateral trading system. However, the emergence at Cancun last September of the G-21 Group which consists of leviathans such as China (which only joined the WTO in November 2001) and India, means that the Quad will in future be unable to force its agenda onto other members with the impunity of the past. Jawara and Kwa have written the essential first chapter in what is sure to be the WTO’s fascinating history.

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