

FOCUS

The Abortive Seattle Talks : A Third World Perspective

by Prof M Ali Rashid

The very fact that the Seattle demonstrators were almost solely activists from developed countries, strongly suggests that their real intention was less to protect the environment and labour interests and more to protect the industrial interests of developed countries. In fact, it would not be unrealistic to assume that the demonstrations were orchestrated by industrial pressure groups of the North

The first of a two-part series

INITIATED in 1986, it took eight years for the Uruguay Round of multilateral trade negotiations (MTN) to be completed and the world witnessed establishment of the World Trade Organization (WTO). The creation of a rules-based international trade body like the WTO, with powers to enforce decisions and settle disputes, was undoubtedly an important step forward towards strengthening a fledgling multilateral trading system in which nations were fast losing confidence. However, the downside of the Uruguay Round was the introduction of multilateral disciplines in entirely new areas like services and intellectual property. Since the negotiations were of 'single undertaking' nature, developing countries including least-developed ones swallowed this bitter pill in return for certain concessions from developed countries like phase-out of the MFA quotas of textiles and clothing and liberalisation of trade in agricultural commodities.

Since January 1995 when the Uruguay Round Agreements came into effect, the experience of implementation of the various Agreements was far from satisfactory. Implementation problems were primarily twofold in nature. First, implementation of commitments was being deliberately delayed by developed member countries, as for example in the case of MFA phase under the Agreement on Textiles and Clothing. Second, developed countries were taking advantage of structural weaknesses in some Agreements to delay implementation, as for example in the Agreement on Agriculture. Unsatisfactory and/or slow implementation of various provisions of different Agreements by developed member countries was restricting market access for exports of Third World countries and thereby resulted in an unequal distribution of the benefits of trade liberalization ushered in by the Uruguay Round Agreement. Understandably, therefore, developing and least-developed countries had attached top priority to a discussion of 'implementation issues' in the Seattle Ministerial Conference.

The Marrakesh Ministerial Meeting of 1994 had mandated review work to be undertaken by 2000 in three areas, viz., Agriculture, services and trade-related intellectual property. Not only were several provisions in the Agreement on Agriculture, the General Agreement on Trade in Services (GATS), and the Agreement on Trade-Related Intellectual Property Rights (TRIPS) vague and unfair, there was also agreement among the Member countries that there was need for further liberalization in these areas. Hence, agriculture, services and trade-related intellectual property formed the 'built-in agenda' of the Third Ministerial Meeting. Third World countries have an important stake in the built-in agenda issues since many of them are exporters of agricultural products, and furthermore because they would like to see some provisions of the TRIPS Agreement, particularly Article 27.3.b of the Agreement, modified to make the Agreement non-discriminatory and more just.

Thus, for the Third World countries the Seattle Meeting was particularly important because it was expected that it would, among other things, provide them the opportunity to enhance market access for their exports through successful negotiations in the areas of 'implementation issues' and 'built-in agenda issues'. The developed countries of course had ideas of their own. They were trying very hard to push the so-called 'new issues' - trade and investment, trade and competition policy, transparency in government procurement, and trade facilitation - into the Seattle agenda. They had successfully managed at the Singapore Ministerial Conference to get agreement among Member states to have WTO work programmes initiated in these areas. Now they were planning to have full-blown WTO agreements in these areas through including them in the Seattle agenda. Furthermore, the US particularly was pressing hard for incorporating labour standards into WTO discipline. In his rather valiant attempt to justify the US position, President Bill Clinton raised the slogan of 'globalisation with a human face', which many observers at that time had viewed as an attempt less to protect the interest of labour in developing countries and more to protect industrial interest at home. Sadly enough, this suspicion was proved to be correct by subsequent events that took place at Seattle.

The stage was therefore set for a tough round of negotiations at Seattle to fix the agenda for the next round of

multilateral trade talks. The developed countries of the North were talking about a 'comprehensive round' or a 'millennium round' which would, among other things, link trade with labour standards and environmental standards - euphemistically referred to as 'quality of life' measures. On the other hand, Third World countries were opposed to the very idea of holding a 'new round' of trade talks, their justification being that a new

round could be launched only after problems of implementation of existing Agreements were rectified and mandated reviews of the three Agreements noted above had been completed.

Demonstrations at Seattle

Labour unions, particularly those under the umbrella of the American Federation of Labour, and environmentalists staged demonstrations on the

opening day of the Third WTO Ministerial Conference with the objective of scuttling the meeting. When the talks eventually collapsed, a leader of the demonstrators called it their victory.

Why did the demonstrators want to block the Ministerial Meeting? The reason that the demonstrators gave was that the WTO was a 'menace' which served the interests of transnational corporations at the cost of environmental degradation

Let us first consider the concerns of the self-professed 'friends of the earth'. Apart from the historical fact that the ferocious speed of industrialization in the presently developed countries of the North, particularly over the last hundred years or so, had wreaked havoc with the environment, which environmental groups in these countries seem to ignore quite glibly, even the economic logic of their argument does not stand up to scrutiny.



WTO Seattle protesters: Solely activists from developed countries.

— AFP photo

and the trampling of human rights of workers; and hence the activities of the WTO should be stopped unless environmental and labour concerns were adequately incorporated into multilateral trade agreements. Prima facie their objective appears to be a noble one, viz., preventing environmental damage and protecting workers from exploitation. On closer scrutiny, however, the real intentions of the demonstrators are found to be quite different from what they professed.

The European Union had for some time been calling for 'mainstreaming' environment at the WTO; that is, the EU wanted environmental clauses to be incorporated in various WTO Agreements. The position of the US in this regard has been somewhat less strong, being limited to espousal of a greater role of the Committee of Trade and Environment (CTE) in providing environmental input into WTO negotiating groups and thereby promoting a 'sustainable round'.

The contention of the developed countries of the North has been that trade and environment policies should support each other. Multilateral environmental agreements (MEAs) contain trade measures which can be applied to achieve environmental objectives. The developed countries went to Seattle with the aim of 'mainstreaming' environment into WTO rules which would provide them the legal authority to impose trade sanctions on environmental grounds.

There was little justification for inclusion of any comprehensive negotiations on the environment at Seattle, primarily for two reasons. First, four existing WTO Agreements contain environmental provisions, viz., the Agreement on Sanitary and Phytosanitary Measures (SPS), the Agreement on Technical Barriers to Trade (TBT), the Agreement on Trade-Related Intellectual Property Rights (TRIPS), and the Agreement on Subsidies and Countervailing Measures (SCM). Several types of environmental requirements are included in these Agreements, ranging from technical regulations and standards, packaging requirements, and eco-labelling schemes to product and process methods (PPMs) and sanitary standards. The post-Uruguay Round experience has clearly demonstrated the trade restrictive nature of these environmental requirements. Developing countries, particularly LDCs, have found it very difficult to meet the higher environmental standards of developed country markets, and consequently their exports have suffered. In the name of protecting the environment, the environmental provisions of these four Agreements have restricted market access for exports from developing and least developed countries.

Apart from the fact that environmental considerations have already been built into the four Agreements noted above, Article XX of GATT 1994 is flexible enough to allow for exceptions to accommodate environmental issues. Article XX may therefore be amended to include an 'environmental window' which would allow additional environmental concerns to be addressed.

It was therefore argued by the developing and least-developed countries that there was no need to have any comprehensive negotiations on environmental issues. While these countries fully supported the goal of sustainable development, they were opposed to the use of trade measures to achieve environmental goals, which is what the developed countries sought, since there was the genuine concern that these would be used for protectionist purposes.

Ever since the Singapore WTO Ministerial Conference, some developed countries, notably USA have gone all out to link trade with labour standards. The contention of the developed countries is that there is a link

between labour standards and international competitiveness; lower labour costs in developing and least-developed countries, which in the view of the developed countries have been achieved through depriving labour of its fundamental human rights, have enabled these countries to export at competitive prices to the markets of developed countries. Hence, in their opinion, inclusion of a 'social clause' in the WTO Agreement with the ability to impose trade sanctions in the event of non-compliance is justified because it would prevent 'unfair competition'. The concept of 'core' labour standards has been used as an indicator of labour welfare, and includes, among other things, freedom of association, right to collective bargaining and minimum wage. Developing and least-developed countries agree that labour welfare is a desirable objective, but they have argued that the ILO is the appropriate forum for discussing labour issues, and that these should be kept outside the ambit of the WTO. The move to incorporate core labour standards into WTO Agreement has been rightly viewed by developing countries as an attempt by developed countries to protect their uncompetitive industries from cheaper imports.

It was therefore anticipated that labour and environmental issues, among other things, would be raised by the developed countries at the Seattle Meeting. What was not, however, fully anticipated was the demonstrations, which at one point turned violent, staged by environmentalist groups and labour union representatives from developed countries. The very fact that these demonstrators were almost solely activists from developed countries, strongly suggests that their real intention was less to protect the environment and labour interests and more to protect the industrial interests of developed countries. In fact, it would not be unrealistic to assume that the demonstrations were orchestrated by industrial pressure groups of the North who sought to put pressure on the other delegations to the Seattle Meeting, and perhaps also on representatives from developing and least developed countries, to introduce environmental and labour standards into WTO discipline so that trade sanctions could be imposed on cheaper imports from developing and least-developed countries. The post-demonstration reaction of President Clinton, with words to the effect that the just demands of the protesters should be heeded, instead of condemning the incident in its entirety, lends credence to the view that the whole show was organized with definite protectionist intentions in mind.

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Community Health Clinics: Are there Alternatives?

by Dr M Zakir Husain

Government can, and should, produce incentives through judicious health policy that promotes and supports wide distribution of health and medical care without necessarily assuming the burden of creating and running those services at a cost which it cannot afford.

THE 'Health and Population Sector Programme' strategy recommended, among other things, establishment of 'Community Health Clinics' - one for 6000 people. This is a classical population to health facility ratio. Experienced public health planners and practitioners might agree that this criterion has outlived its validity and utility. The government is planning to build about 13000 community clinics 'to provide medical care to the common people at their door steps'. This indeed is a laudable enterprise. But is this feasible? Local and global experience points to the need to carefully examine and evaluate the actual performance of population-based and widely dispersed health facilities usually built at high capital cost. The assumption that once created these will produce the desired services that are acceptable, accessible, and affordable has often been not true. Doubts also remain if such schemes are cost-effective or sustainable.

The strategy of population and geography based provision of health facilities was highly favoured by national development planners in many emerging countries after the Second World War. In most cases, however, it proved costly to build and maintain; more importantly, it proved difficult to keep the numerous health centres running efficiently with optimum output due to several reasons including inadequate recurring budget, poor management, staff with low morale and motivation. In the present trend of globalisation with dominant free market economy, central planning is not in tune with realities or demands of the economy and the market. Central planning was born and nurtured within a system of liberal welfare oriented command economy. Socialised government planning of public service provisions was its natural ally. Time and events, however, proved it ineffective and redundant. Without the means and

ways, the public sector is unable to support provision of many economic and social goods and services. Planning health facilities by population numbers is conceptually obsolete and operationally not practical. Take the example of Thana Health Complexes in Bangladesh - a grandiose government scheme characterised by heavy capital cost but not by the ability to generate and allocate the recurring cost budget sufficient to make each THC function optimally and deliver services of acceptable quality or adequate quantity. Public confidence is lacking and most of these remain under-performing and under-utilised.

The strategy of setting up and running thousands of health facilities scattered throughout the country, therefore, needs re-examination. In the light of past experience and current dynamics of creation and operation of public services, it is doubtful if yet another grand scheme of establishing 13000 or more Community Clinics will achieve much more than perhaps further over burdening the government health recurring budget. In a market economy regime, the government is required to perform a facilitatory or enabling function to let the people and the market determine many personal and public services. Lessons need to be learnt from the past similar schemes by objectively evaluating the results. Strong evidence need to be produced based on the economics of the medical care market and the client perceptions of their needs and priorities and their preferred access and use of available services. For example, the issue of community-based autonomous or self-managed primary care insurance has not been seriously and exhaustively assessed.

Yet it is the duty of the State in a professionally liberal democracy to provide equitable access to public services. The issue is

not that the State has a role but what that role is and how best to play that role. For example, arranging medical care for each citizen at the door step is no longer the business of the government - not even by the government of the rich countries let alone by that of a poor country like Bangladesh. At best such extra-ordinary commitments will not be met, at worst the public will become sceptical of all government commitments. The latter is probably already the case. On the other hand, government can spend its limited resources in providing an array of essential public health services for example, healthy environment, safe drinking water and good sanitation, essential drugs of quality at affordable cost, set and enforce minimum standards and norms of medical care, medical and allied health professional education, safe and hygienic food supply and distribution, information and education on health and public hygiene, in addition to other essential functions such as prevention and control of epidemic communicable diseases that threaten public health, and adhere to the international health obligations.

Rather than commit heavy capital expenditure by creating huge health infrastructure without means to make these produce the level or type of care that the client has ability to utilise or has confidence in, it would be more rational and produce higher health returns if government spent its limited resources preferentially and effectively on selected public health functions and to give some subsidised care, as part of social safety net, for the very poor. It makes very good sense to produce efficient and effective and urgently needed public health services that bring greater good for the greatest number of people, and assure their continuity and quality. It also enhances equity and social justice which are so necessary

in health. In the writer's view, government need not and cannot afford to invest scarce public resources in yet more grand experiments of proven inefficiency, however politically attractive and socially redeeming that may appear to be.

As a foot note, the writer wishes to state that there are alternative pathways to the destination of equitable and reasonable health care including personal medical care; population coverage can be effectively enhanced not just by setting up more buildings/clinics. New ways of doing things with imagination, enterprise, and innovative thinking and alliances, new partnerships and alliances in the civil society - all of these need to be explored objectively and rationally. For example, the State could facilitate the growth of Group Family Practices in small towns, city suburbs, rural communities, especially in the under-served regions. These and other means of expanding access and availability are more competitive and more compatible with the market economy.

Government can, and should, produce incentives through judicious health policy that promotes and supports wide distribution of health and medical care without necessarily assuming the burden of creating and running those services at a cost which it cannot afford. Also, the present misguided priority to invest in tertiary care and specialisation of practice which evidently benefit few may be dropped. What the country needs more is more quality and affordable primary care which addresses effectively more than three fourths of the needs of the population and not more tertiary care in a paradoxical situation where the private providers compete with the public facilities. Creating health infrastructure - usually at great capital cost - does not mean that these produce health services that are appropriate, acceptable, or even affordable.

by Jim Davis

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