

SHOULD INDIA GET OUT OF WTO

Suman Sahai

Every now and then, at some rally, meeting or people's forum, slogans are raised and demands made that India should get out of the WTO. Should it really? The government says that its hands are tied, that the WTO is a legacy of past governments, conveniently overlooking the fact that many of its constituents have been participants in framing our ruinous GATT/ WTO policies. The fact is that after the Dunkel Draft was submitted, the Congress and all versions of the Janata Dal governments had several opportunities to resist the onslaught of the developed nations, as they now expect the BJP led government to do. Hurling invective at one another and continuing not to act, is certainly not the way that India's political leadership will resolve the question of whether we should stay in the WTO or get out of it.

I believe the answer to whether we should stay in or opt out, will have to come out of a dispassionate analysis of whether our interests are better served as part of the multilateral platform or whether we are better off entering bilateral and regional agreements for which the climate is getting increasingly favourable. Let us then examine the situation at the international and the domestic level to assess whether the wind blows favourably for us or adversely. Whether we should stay in or get out.

At the moment the mood in the WTO is brittle. Seattle and post Seattle events have shattered the sanguine belief that further negotiations in the WTO could be shepherded in the same way by the developed block . And developing countries would fall in line just as they had been doing since the start of the clearly contentious and for them, disadvantageous Uruguay Round. The credit for changing the status quo at Seattle goes to the African nations who revolted against the thickly occluded, clearly manipulated process of the Green Room discussions. These discussions are conducted arbitrarily; there is no pattern or roster of invitees. The whole thing functions like an elitist club controlled by the powerful nations who invite whoever they like. In the green Room, without their aides, the ministers of these countries take decisions on crucial issues and more or less dictate the outcome of the negotiations.

At Seattle, the Africans said enough was enough and walked out . This coupled with the ruckus and general air of defiance outside on the streets, plus the domestic agenda of the American labour unions and the American President, who more or less made sure that the talks at Seattle were indeed doomed to failure, the expected happened. Since then, civil society has been increasingly aggressive and has moved from strength to strength in the explicitness and forcefulness of its opposition to the process of globalisation as being determined by the large corporations and spearheaded by the governments of developed nations. Protests in Seattle followed by Bangkok, Washington, Prague and Seoul have revealed how tenuous the old structures in the WTO have become. The developed countries are clearly shaken and fully aware of the belligerent mood prevalent in many developing countries.

On his recent visit to India, Mike Moore, the Director General of the WTO was practically begging India to endorse a new Round, 'we cannot make progress without India' he said. On the other hand, the statements of Mr. Supachai Panitchpakdi, the present deputy Premier of Thailand, who will take over as the Director General of WTO in two months, demonstrate the growing confidence of the developing country block with respect to their bargaining position in the WTO. The future DG reviews the past performance of the WTO quite candidly, pointing out that it is a forum aimed to promote trade, not development. His statement reflects the growing frustration of developing countries at the fact that the WTO has failed to serve their interests even that they are being taken for a ride.

The change inside developing countries, especially India is perceptible, actually dramatically so. During the Uruguay Round negotiations, sometimes clueless, often compromised negotiators of the bureaucracy went off merrily to negotiate away the country's future, hamstrung by instructions from dithering, spineless political leaders. After the coming into force of the WTO, batch after batch of negotiators went whining and wringing their hands to the Ministerial meetings, giving away still larger chunks of India's future. In contrast to this abysmal performance, it is refreshing to see the change in India's posture after Seattle.

A confident Commerce Minister told the recent visitors from the WTO that India will not support a new Round unless significant progress is seen on outstanding implementation issues from the last Round. The government of India now repeatedly points out that the stumbling block to progress in a key area of interest to India, agriculture, is the astronomical agriculture subsidies provided by Europe and the US. And that these must be reduced. These subsidies ensure that India cannot export its agricultural produce to these countries, which are its natural markets. The government also makes it very clear at every opportunity, that India would not support any moves to bring labor into WTO discussions, reiterating that it is a non-trade issue.

On the political front in the country, the government of Punjab, specially the ruling Shiromani Akali Dal, has initiated a statewide debate which will lead to a 'Peoples' Movement' against the present structure of the WTO. They are pressing for changes in favor of agriculture and small industry. The Congress Chief Minister of Karnataka, Mr. SM Krishna has broken with his party's line and come out against the current WTO regime saying it did not adequately protect our interests, specially in the agriculture sector and that we will have to demand major changes. The normally sedate doyen of Indian agriculture, MS Swaminathan has demanded a White Paper from the government on its negotiating position in agriculture. He has suggested a 'Livelihood Box' to be incorporated in the now beginning negotiation on Agriculture under the WTO regime of Agreement on Agriculture (AoA).

These are the newer, more welcome developments which add weight to the consistent campaign by increasingly influential civil society groups in India. Gene Campaign among others has been lobbying for an IPR regime which would protect Indian interests, specially those of rural and adivasi communities. Most of the demands made

by civil society are being met, notably the strong Farmers Rights in the Plant Variety Protection and Farmers Rights Act, India's response to the sui generis form of protection for seeds.

Other changes proposed in IPR legislation and policies are met with far greater acceptance by government departments than was the case a few years ago. These are good signs. In preparation for the negotiations on Agriculture, the government has formulated a reasonably strong position, which it hopefully will hold on to. The growing consensus on TRIPS (the patent and related issues) is that India will not give any more ground and will try and hold off US attempts to introduce more stringent IPR protection, especially for seeds.

In the domestic scenario that is developing, erstwhile somnambulant political parties have finally woken up to the terrifying nature of the threat posed by bad agreements in the WTO. Citizens, farming communities (and yes, the politician's vote banks) are bristling with indignation at where successive governments have contrived to lead them. Dharnas, marches and demos voicing the peoples' anger and their demands have started again across the country.

In a climate like this it is almost impossible for this government, or for that matter, any government in the country to continue the weak-kneed, kow-towing policies of yesterday. Public pressure clearly requires the Indian government to fight for the rights of the people and only a suicidal government would fail to realize the consequences of not doing so. On the international front, the block of industrial nations are taken aback by the final backlash from the developing countries. Licking their paws and reviewing the scene, they are wary of using anymore strong arm tactics lest the masterfully constructed, self-serving structure of the WTO blows in their faces. With that would fly away their trillion dollar trade profits and their dreams of economic hegemony.

This is a scenario in which India can walk in and clear a place at the banquet for itself. Now is the time India should sit across the table and participate in defining the agenda of the negotiations, forcefully articulating what it seeks to obtain from the trading platform? India has much more to gain now from staying in the WTO and becoming an important player, helping to steer the agenda in a way that will protect its interests and creating conditions that will maximise its natural advantages. Now is not the time to abandon the WTO. Now is the time to dig in.

DR. SUMAN SAHAI
J-235/ A SAINIK FARMS
KHANPUR
NEW DELHI 110062