

Developing countries need free trade

As the protestors, delegates, and tear gas disperse from the recent Seattle World Trade Organisation (WTO) meeting which I attended, the more interesting but less newsworthy conflicts are emerging. These conflicts will not have an effect on proceedings, since the media did not report them, but they explain more about the nature of the problem at Seattle than most others. For what emerged is that the protestors are the new third way fascists: they are not interested in debate; they don't want to hear other opinions; they only want control. And it looks more and more that their saner elements will be granted access to the WTO in the future – an unappetising prospect.

In a week of incoherent protests outside the WTO meeting one public debate, on the crossroads of Pike St and University St in downtown Seattle, stood out as unique. Representatives of the only genuinely pro free trade non-governmental organisation, the International Consumers for Civil Society (ICCS), were attempting to debate the green protectionists who were preventing delegates from attending the meeting.

Barun Mitra, ICCS member and managing trustee of the New Delhi-based Liberty Institute, asked protestors, ranging from grunge-dressed civil disobedience types to the more aggressive balaclava-adorned nihilists, why they would not let him pass. The response was a panoply of placards and chants – 'Say No to WTO', 'People Before Profits', 'Fair Trade Not Free Trade', were the most common. More specific messages involved opposition to genetically modified foods, and especially the multinationals behind the commercialisation of the science of biotechnology. Mr Mitra tried to understand their concerns, but pointed out that farmers in his country wanted vitamin A enhanced genetically modified rice to overcome widespread blindness from poor diets. The protestors just shouted louder and continued with the 'You're a Capitalist Pig' and 'We Hate Corporate Greed' abuse.

Another ICCS delegate, Fran Smith explained how consumers benefited from free trade, including cheaper cameras from the far east, with which many of the demonstrators were adorned. No doubt this infuriated the rapidly developing mob even more and Mrs Smith told me afterwards she felt very threatened by the encircling of the young men hurling vitriolic threats. The questioning of ideals by Mr Mitra and Mrs Smith with the anti-WTO protestors was cut short by the tear gassing of protestors a block up-wind, and as the gas floated down, talking and seeing became difficult and then impossible. This was a pity, since it was the only substantive debate occurring outside of the Ministerial Convention Centre all week.

The local television networks claimed that half the protestors were from the local area and especially the University of Washington and local Seattle high schools, nearly all of whom could not imagine what it must be like to be a poor farmer in rural India. And it's people like Mr Mitra's farming friends that further open trade would help.

Andrew Crosby from the British NGO the International Centre for Trade and Sustainable Development, explained to me why there were so many protestors afforded the possibility of being in Seattle. Because of the strength of the Wall Street Stock Market over the past year, the numerous foundations established by wealthy American entrepreneurs have had to disburse funds to their selected worthy causes in larger amounts, and hence faster, than normal. 'Much of this considerable wealth has ended up in the hands of protesting NGOs' confirmed Mr Crosby, who was one of many peaceful NGO delegates to the WTO. It's an interesting irony that wealth created through open trade is being used to support mainly inarticulate protests against it. Indeed, most of those that I spoke to on the barricades in Seattle had no idea what they were protesting against.

Effectively, the protestors were denying developing countries access to the benefits of free trade, and for a while were completely successful. On the first day, demonstrators blocked the road to the convention centre with a sit-down protest. Police managed to cordon an area around the centre and the nearby hotels. Unfortunately, many of the poorer and less well-organised, like me and the entire Nigerian delegation, were staying several miles away, and simply could not break through the protest. We came a long way not to have a say. That same evening in a piece of classic hypocrisy, a young hooligan was seen trashing the 'Nike Centre' – ostensibly because of child labour accusations – while wearing a pair of Nike trainers. His fashion sense must have overcome or preceded his humanitarian conviction, if that is what made him attack the store.

The protestors certainly stopped trade in Seattle, since the only flourishing trade all week was in bottled water to overcome the tear gas, and in spray paints for graffiti. This would only have mattered to the numerous traders of Seattle, but its reach may have been far wider. US President Clinton in a pathetic attempt to placate US labour unions (supporting Al Gore's Presidential campaign) suggested in a speech the day after the major riots, that labour rights be brought into the negotiations. The developing world sees labour standards as covert western protection, and so agreement foundered. They know that the real choice facing a 12-year-old farm worker in China or India is not between school or 'exploitation', but between knowing he and his family can eat tomorrow and not knowing. Whether Clinton changed his speech because of the rioters is hard to say, but if so, then they can rightly claim that they 'Stopped the WTO'. Personally, I can't see what triumph there is in that. Time will tell whether the WTO can let the developing countries come to the world fair, but while such outspoken ignorance has influence it seems increasingly unlikely.

It was odd for me to be defending the WTO in Seattle since I think its agreements are based on a false premise – that a country's leaders should only open markets for reciprocal trade. The true benefits of free trade mainly accrue to consumers because they get a better deal due to greater choice and hence competition. A country benefits hugely from being able to buy from all other countries even if it cannot export into all those countries. However, the mercantilist basis of the WTO has served us all well over the past 50 years by opening up markets and encouraging a massive increase in international trade and the wealth this generates. Perhaps the WTO needs to stress the benefits to consumers of free trade – i.e. explain why so many of the world's economists think trade is such a good idea. It's not only because McDonalds can sell hamburgers in the Far East but because the US can import cheaper fruit from Chile and South Africa in winter. But most of all free trade helps developing countries export raw materials and low-valued goods to rich countries. It starts them on a virtuous circle, and not a vicious circle, which most of the WTO protests, if successful, will condemn them to.

Further reading

Reekie WD (2000) *Debacle in Seattle: Why free trade matters*, Briefing Paper 49, Free Market Foundation, Johannesburg.

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