

Letter by Bhagwati (to appear in Foreign Affairs) on Mazur's article in Foreign Affairs

Mr. Mazur ("Labor's New Internationalism," Jan/Feb. 2000) is an excellent lobbyist for UNITE which he leads, and for the AFL-CIO which he serves. Having painted globalization in garish colors as the enemy of the working class, he demands a "seat at the table" for labour unions in trade negotiations and at the WTO, "or else." But he hardly persuades.

First, the financial crises which he recalls and deplors have little to do with the global freeing of trade. The sins of one cannot be visited on the virtues of the other. If the financial system is broken, the trading system is not what needs fixing!

Second, beyond populist rhetoric, Mr. Mazur produces no evidence or argument to sustain his claims that globalization (outside of the financial crises) "has dramatically increased inequality between and within nations," beyond invoking "the most recent UN Development Report "which is characteristically short on meaningful analysis and does not manage to do anything of the kind. Instead, there are many empirical studies that argue exactly the reverse for trade and direct foreign investment: two of Mr. Mazur's real targets.

Third, Mr. Mazur's assertion that, based on such beliefs, the working class is united in both North and South behind the demand for a seat for unions at the WTO table is simply false. Prior to Seattle, numerous Third World Intellectuals and NGO's worldwide issued a Statement Against Linkage (of labor standards to the WTO). Known as TWIN-SAL, it was signed also by

three trade unions, including two from India whose membership was several millions and close to that of the AFL-CIO, even though they were not actively canvassed.

The reason is straightforward. True, unions everywhere would like labor rights, good and bad, to be advanced. But when trade sanctions are involved, the Northern workers see the resulting trade protection as adding to their competitive advantage as well whereas the Southern workers see it as threatening their competitive position and hence their interest..

Mr. Mazur's culture-bound US advisers, much like many Washington politicians, are so stuck on trade sanctions and therefore on the WTO as their target that they fail to grasp this elementary and elemental point that requires that their agenda be re-focused on the use of non-trade instruments and hence on the ILO, exactly as some of the NGOs and unions from the South and nearly all of the Southern governments, many democratic, insist on.

The rejection of non-trade measures by ceaseless re-iteration of the view that the ILO has no (trade-sanctions) teeth is foolish. Among other things, God gave us not merely teeth but also a tongue. And today, with impartial reviews by an invigorated ILO and an active NGO presence to build retribution on such reviews, a good tongue-lashing could be more productive than a trade sanction that invites reciprocal bites. Mr. Mazur is just not with it.