

The Seattle Fiasco: President Clinton's Failure or Triumph?

By

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Seattle sizzled from Monday and fizzled on Friday, last week. The third Ministerial meeting of the WTO was expected by many to witness the launch of the WTO's first Multilateral Trade Negotiation --- the last such MTN being the "Uruguay Round", the eighth and last under auspices of the GATT that was transmuted into the WTO in 1993. But, despite upbeat press briefings by Ambassador Charlene Barshefsky who insisted that things would come together in the end, the 135 nations went home, declaring failure. What went wrong?

Serious and irreconcilable differences among the member countries on the conventional trade agenda could have derailed the talks. Or the administration may have unwittingly been guilty of gross mismanagement. Then again, President Clinton may have wittingly sacrificed and scuttled the talks to pursue a short-run political agenda: this much-touted "political failure" actually constituting instead his political triumph. I believe that the evidence points much too convincingly to the last hypothesis.

Differences on the trade agenda did kill the launch of a GATT Round at the November 1992 GATT Ministerial meeting in Geneva. But the European Union was adamant at the time in refusing to put agriculture (an "old" issue taken out from the GATT by us in 1955 through a waiver) and services (a "new" issue) on the bargaining table. No such deep divisions on narrowly-defined yet broadly-pertinent trade matters existed at Seattle.

The real problems lay elsewhere, in the city rather than the state of Washington. The administration had literally done nothing to prepare Seattle for the ruckus that erupted. Everyone knew for weeks that disruptive demonstrations were being planned and by whom. On Tuesday, when the formal negotiations were supposed to begin but were held up by mayhem, I saw groups of hooded demonstrators. I asked a young woman why they were in masks, to which she replied truthfully: we are anarchists. The riot started about an hour later. Where were the plain-

clothesmen who could have asked what I did --- even if they had not read Bakunin, I assume that they would have heard of anarchists --- and done what was necessary to cut the riot off at its inception? Why was Seattle left to its own home-grown devices when Washington should have brought its federal expertise into the town?

But if the violent demonstrators had been kept out of mind, the administration had done nothing either to engage the peaceful NGO demonstrators in reasoned dialogue long before Seattle, seeking to assuage their misguided concerns about globalization, free trade and the WTO. Recall that the turning point in the equally supercharged NAFTA debate came when Al Gore demolished Ross Perot's ill-informed assertions concerning the perils of NAFTA in the famous television debate.

Instead, Clinton joined in the anti-globalization frenzy, endlessly repeating the witless soundbite that "globalization needs a human face", implying as its flip side that it lacks one. The great communicator was on the wrong side! Indeed, the overwhelming scholarly evidence on the effects of freer trade and direct foreign investments is favorable, if only he would look at it.

Evidently, Bill Clinton could not alienate his labor constituency in this election season. Indeed, he was unwilling to lend his efforts to launching a Round at Seattle until a few months ago.

Then came the US-China accord, cynically timed just two weeks before Seattle, not a week after. If there is any country that arouses ire among the anti-globalization groups, it is China. So, Clinton was waving the red flag, pun intended, to the raging NGO bulls, making Seattle's success ever more problematic.

Finally, just as the poor countries were properly objecting to the setting up of a Working Party on "labor rights" defined in a cynically protectionist fashion so as to target the poor

countries exclusively, and seeking to shift it to an appropriate agency such as the ILO, Clinton arrived and said that he wanted trade sanctions against the poor countries on the issue. That just blew it.

So, Clinton emerges having won the minds and cash of the business community with his China deal; and he has won the hearts and cash of the unions with his destructive grandstanding on labor rights. Not bad for the Democratic Party. The WTO and freer trade are another matter: but why should he care?