

Trading For The Global Common Good

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Great hope and enthusiasm surrounded the signing of the "Final Act" of the Uruguay Round in Marrakech in 1994, which founded the World Trade Organization (WTO). The nation states' agreement establishing the WTO identifies glowing goals: "that their relations in the field of trade and economic endeavor should be conducted with a view to raising standards of living, ensuring full employment and a large and steadily growing volume of real income and effective demand, and expanding the production and trade in goods and services, while allowing for the optimal use of the world's resources in accordance with the objective of sustainable development, seeking both to protect and preserve the environment and enhance the means for doing so in a manner consistent with their respective needs and concerns at different levels of economic development." Five years later, the Third Ministerial Meeting in Seattle collapsed due to political impasses and non-democratic negotiating processes inside the official meeting and civil society demonstrations outside. Post-Seattle the WTO is in a process of self-reflection and internal "confidence building." The WTO began this process to repair the mistrust among many smaller economies who were virtually excluded from the Seattle process. There is legitimate fear among some nations, mostly from the global South, and many NGOs that the confidence building measures will be simply cosmetic, focusing primarily on technical fixes and good public relations to improve the image of the WTO without altering its power structure.

What did go wrong? This question continues to be addressed and analyzed in many venues, such as UNCTAD (UN Conference on Trade and Development), in the UNDP's (UN Development Program) annual *Human Development Report*, in national trade departments and in the NGO community across the world. In theory, a rules-based trading system should bring coherence and greater equity into trade negotiations; in practice, the evidence points otherwise.

While the proponents of greater trade liberalization predicted growing equality and equity among the nation states, the last decade "has shown increasing concentration of income, resources and wealth among people, corporations and countries:

- OECD (Organization for Economic Cooperation and Development) countries, with 19% of the global population, have 71% of global trade in goods and services, 58% of foreign direct investment and 91% of all Internet users.
- The world's 200 richest people more than doubled their net worth in the four years to 1998, to more than \$1 trillion. The assets of the top three billionaires are more than the combined GNP of all least developed countries and their 600 million people.

- The recent wave of mergers and acquisitions is concentrating industrial power in megacorporations— at the risk of eroding competition. By 1998 the top 10 companies in pesticides controlled 85% of a \$31 billion global market—and the top 10 telecommunications, 86% of a \$262 billion market.
- In 1993 just 10 countries accounted for 84% of global research and development expenditures and controlled 95% of the US patents of the past two decades. Moreover, more than 80% of patents granted in developing countries belong to resident of industrial countries" (Human Development Report 1999, 3).

The Report concludes "All these trends are not the inevitable consequences of global economic integration—but they have run ahead of global governance to share the benefits." The issue is not whether to trade or not to trade. Rather it is a question of how the new trade regimes are developed, who dominates the decision-making process and in whose favor they are directed.

THE WTO AND THE GLOBAL COMMON GOOD

Despite its lofty language and current "confidence building" efforts, the problems of the WTO are deeply rooted in a culture and style of negotiations that militate against its own stated goals. It is a culture driven by self-interest, competition, inequality, litigiousness and punitiveness (sanctions). Nor, does it have a moral vision that would move it beyond its current stagnation. A commitment to a global common good would provide such a moral vision.

The commitment to a common good has a long history in Catholic Social Teaching. As the world has become more integrated economically and technologically, the scope of the common good is global. It goes beyond identifying economic success of a nation by its GDP (Gross Domestic Products) and raises the question of how the goods of a society and of the world are distributed among all nations and persons. The global common good in CST is a social reality to which all persons contribute and in which all persons share through participation. That social reality includes the political, economic, social, cultural and environmental context of people's and societies' lives.

How would a commitment to establish a social reality in which all persons participate and are enabled to live more fully their human rights and to achieve more readily their potential change the culture of the WTO? First, it would moderate self-interest. For nation states to enter into negotiations with an agenda to address their own needs and interests, or those of their corporations, is not in itself problematic. But when self-interest is the

primary and over-arching motivation, it becomes national individualism which ignores or seeks to out-manuever the legitimate, and sometimes more morally imperative, self-interest of other nation states. How often, U.S. government officials publically and proudly state, “I will not do anything that is not in U.S. interest.”

Moreover, such an attitude begs the question, what is in U.S. self-interest, not only in the immediate negotiation, but in the longer time frame. And who decides? Is it in U.S. interest that the gap between poverty and wealth, both within nations and among nations, is growing? Is the exclusion of whole groups of peoples and nation states from meaningful participation in the goods of the earth in U.S. interest? Is the social instability generated by poverty and exclusion in U.S. self-interest? Is the depletion of natural resources and the degradation of our world’s air, water and soil in U.S. interest?

Competing self-interests set the stage for negotiations at the WTO, but the playing field is anything but level. The process is carried out in a situation of systemic inequality that is political, economic, social and technological. The political process is dominated by the major industrial nations, the Quad: EU (European Union), Canada, Japan and the U.S. The economic and technological inequality is shaped by a nation state’s resources, debt burdens, stage of development and the social progress of its people. This systemic inequality will not be overcome by the technological fixes and the special and differential treatment provisions usually put forward as solutions by the political powers. Rather it demands a commitment to share and steward the wealth of creation and to take all the necessary steps to bring people into full participation in the social and global processes. These steps would include meaningful debt cancellation, increased development assistance, increased direct investment and trade agreements which are directed to enhancing the participation of small and vulnerable economies by opening markets and eliminating all forms of hidden protectionism in the wealthy countries. These commitments would, of course, demand some adjustment and changes in the wealthy economies, but, where there is the political will, they are more able to make these shifts than poorer nations.

When the WTO was launched, the Dispute Settlement Body was hailed as a major improvement for trade relations. It would provide the mechanism to enforce trade agreements. But in the context of the WTO culture of primitive self-interest, intense competition and gross inequality, the dispute settlement process is fostering a litigious and punitive relationship between nation states, many of whom, in other settings, are natural allies, such as the U.S. and the EU. Moreover, many of the countries of the global South do not have the resources to use the mechanism to their advantage, creating yet another form of inequality. If a weak and vulnerable economy, such as Bangladesh, used its limited resources to launch a dispute against the U.S., what kind of sanctions could they enforce that would possibly affect the U.S. economically?

LEADERSHIP FOR THE GLOBAL COMMON GOOD

The culture of the WTO is symptomatic of the wider agenda—market liberalization, privatization, competition and economic efficiency—that is driving economic globalization today. The inequities—one could define them as crises—that shape our world today are not an automatic result of globalization; they are the result of the political and economic decisions those in positions of power have been making for two decades. These decisions can be changed, but not without a great deal of political effort. To move in a new approach to globalization shaped by a moral vision of human rights and a commitment to the global common good will demand leadership with a wider vision than national self-interest and with a passion to engage others in structuring that vision in new forms of global and national governance.

That leadership is not vested only in those elected to public office. The leadership of citizens in challenging elected officials to a wider vision is fundamental, not only in an election year, but in calling for accountability after elections. The faith community has a critical role to play in engaging in this challenge. Churches, synagogues and mosques need to engage their congregations in exploring and applying the social teachings of their traditions. Religious leaders must be visible participants in national and global dialogues to shape a renewed moral vision and commitment to the global common good at this time. Lay leaders need to bring a new moral vision to all business and financial decision-making centers, boards of trustees and lobbying efforts.

The prospering of the human community, the flourishing of human rights and the care of the environment must be the primary foci of all efforts to develop new policies and new forms of global governance. Inclusion of all peoples and countries is essential to this task of “reshaping the earth.” Structures of inclusion must be developed from the community to the global level. Citizens of the U.S. and the U.S. Church have a particular obligation, not only because of the global economic, political and military power of this country, but also because the U.S. is a major voice in fostering the current directions of global economic integration.

The task may seem overwhelming, but it is the task at our moment in history. Each of us has a role to play in reshaping the vision within our own families and communities, in educational institutions, in centers of corporate power and within the government of our nation state, for “without vision the people perish” (Proverbs 29:18). Too many people are perishing daily under the current global regime. ■

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