

A threat to the rich

Forcing the poor countries to walk out of the Cancun trade talks may rebound on the west

Were there a Nobel Prize for hypocrisy, it would be awarded this year to Pascal Lamy, the EU's trade negotiator. A week ago, in the Guardian's trade supplement, he argued that the World Trade Organisation (WTO) "helps us move from a Hobbesian world of lawlessness into a more Kantian world – perhaps not exactly of perpetual peace, but at least one where trade relations are subject to the rule of law".

On Sunday, by treating the trade talks as if, in Thomas Hobbes's words, they were "a war of every man against every man", Lamy scuppered the negotiations, and very possibly destroyed the organisation as a result. If so, one result could be a trade regime, in which, as Hobbes observed, "force and fraud are ... the two cardinal virtues". Relations between countries would then revert to the state of nature the philosopher feared, where the nasty and brutish behaviour of the powerful ensures that the lives of the poor remain short.

At the talks in Cancun, in Mexico, Lamy made the poor nations an offer that they couldn't possibly accept. He appears to have been seeking to resurrect, by means of an "investment treaty", the infamous Multilateral Agreement on Investment. This was a proposal that would have allowed corporations to force a government to remove any laws that interfered with their ability to make money, and that was crushed by a worldwide revolt in 1998.

In return for granting corporations power over governments, the poor nations would

MONBIOT | A THREAT TO THE RICH

receive precisely nothing. The concessions on farm subsidies that Lamy was offering amounted to little more than a reshuffling of the money paid to European farmers. They would continue to permit the subsidy barons of Europe to dump their artificially cheap produce into the poor world, destroying the livelihoods of the farmers there.

Of course, as Hobbes knew, "if other men will not lay down their right ... then there is no reason for anyone to divest himself of his: for that were to expose himself to prey". A contract, he noted, is "the mutual transferring of right", which a man enters into "either in consideration of some right reciprocally transferred to himself, or for some other good he hopeth for thereby". By offering the poorer nations nothing in return for almost everything, Lamy forced them to walk out.

The trade commissioner took this position because he sees his public duty as the defence of the corporations and industrial farmers of the EU against all comers, be they the citizens of Europe or the people of other nations. He imagined that, according to the laws of nature that have hitherto governed the WTO, the weaker parties would be forced to capitulate and forced to grant to the corporations the little that had not already been stolen from them. He stuck to it even when it became clear that the poor nations were, for the first time, prepared to mobilise – as the state of nature demands – a collective response to aggression.

I dwell on Pascal Lamy's adherence to the treasured philosophy of cant because all that he has done, he has done in our name. The UK and the other countries of Europe do not negotiate directly at the WTO, but through the EU. He is therefore our negotiator, who is supposed to represent our interests. But it is hard to find anyone in Europe not employed by or not beholden to the big corporations who sees Lamy's negotiating position as either desirable or just.

Several European governments, recognising that it threatened the talks and the trade organisation itself, slowly distanced themselves from his position. To many people's surprise, they included Britain. Though Pascal Lamy is by no means the only powerful man in Europe who is obsessed with the rights of corporations, his behaviour appears to confirm the most lurid of the tabloid scare stories about Eurocrats running out of control.

But while this man has inflicted lasting damage to Europe's global reputation, he may not have succeeded in destroying the hopes of the poorer nations. For something else is now beginning to shake itself awake. The developing countries, for the first time in some 20 years, are beginning to unite and to move as a body.

That they have not done so before is testament first to the corrosive effects of the cold war, and second to the continued ability of the rich and powerful nations to bribe, blackmail and bully the poor ones. Whenever there has been a prospect of solidarity

MONBIOT | A THREAT TO THE RICH

among the weak, the strong – and in particular the US – have successfully divided and ruled them, by promising concessions to those who split and threatening sanctions against those who stay. But now the rich have become victims of their own power.

Since its formation, the rich countries have been seeking to recruit as many developing nations into the WTO as they can, in order to open up the developing countries' markets and force them to trade on onerous terms. However, as the rich have done so, they have found themselves massively outnumbered. The EU and the US may already be regretting their efforts to persuade China to join. It has now become the rock – too big to bully and threaten – around which the unattached nations have begun to cluster.

Paradoxically, it was precisely because the demands being made by Lamy and (to a lesser extent) the US were so outrageous that the smaller nations could not be dragged away from this new coalition. Whatever the US offered by way of inducements and threats, they simply had too much to lose if the poor countries allowed the rich bloc's proposals to pass. And their solidarity is itself empowering. At Cancun the weak nations stood up to the most powerful negotiators on earth and were not broken.

The lesson they will bring home is that if this is possible, almost anything is. Suddenly the proposals for global justice that relied on solidarity for their implementation can spring into life. While the WTO might have been buried, these nations may, if they use their collective power intelligently, still find a way of negotiating together. They might even disinter it as the democratic body it was always supposed to have been.

The World Bank and the International Monetary Fund had better watch their backs now. The UN security council will find its anomalous powers ever harder to sustain. Poor nations, if they stick together, can begin to exercise a collective threat to the rich. For this, they need leverage and, in the form of their debts, they possess it. Together they owe so much that, in effect, they own the world's financial systems. By threatening, collectively, to default, they can begin to wield the sort of power that only the rich have so far exercised, demanding concessions in return for withholding force. So Pascal Lamy, "our" negotiator, may accidentally have engineered a better world, by fighting so doggedly for a worse one. #

This is the final instalment of George Monbiot's series on trade