G8 - WTO....another turn of the screw

Pascal Lamy - bad news for poor

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The Committee for the Abolition of the Third World Debt (CADTM) condemns the election of Pascal Lamy as the World Trade Organisation (WTO) director general and calls for a massive mobilisation at the G8 summit in Edinburgh (Scotland) in July and the WTO General Council in Geneva (Switzerland) on 26 July and 19 October 2005.

With this appointment, populations which have been subjected to neoliberalism for more than 25 years will not see any shift in policies forcibly imposed by multilateral institutions. On the contrary, Pascal Lamy’s victory against the three candidates from the South for the WTO general directorship will inevitably mean yet another turn of the screw to the advantage of global finance and multinational companies.

This brash liberal-socialist is a former member of the executive committee of the French Socialist Party, while fervently defending the market creed. He was Jacques Delors’ main collaborator at the European Commission and helped to make it a powerful neoliberal engine.

He was one of the senior managers of the French bank Crédit Lyonnais responsible for its privatisation and made his name between 1999 and 2004 as a particularly arrogant European Commissioner for Trade, scorning the interests of the most vulnerable populations. Finally, he is an Officer of the Order of Merit in Gabon, which interestingly shows he has made a place for himself in French-African networks.

His election, to be confirmed on 26 May, is a new step in the strengthening of the US and EU hold on international institutions. It is to be added to a long and very significant series: the election of Rodrigo Rato (former Spanish Finance Minister in the José Maria Aznar administration) as the IMF manager in April 2004; the election of Ann Venneman (former Agriculture Minister in the Bush administration) as the head of UNICEF in January 2005; the election of Paul Wolfowitz (former US Defence Ministry number two) as head of the World Bank (WB) in March 2005.

The few members from Southern countries to achieve such positions are also perfectly moulded in the neoliberal model: Supachai Panitchpakdi, from Thailand, left the WTO for the UN Conference for Trade and Development (UNCTAD) and Kemal Dervis, the former WB official and ultraliberal former Turkish Minister of Economy, has just been appointed at the head of the UN Development Programme (UNDP).

With such a close mesh of key positions at the international level, the global net in which common goods, public services and populations are trapped is going to further tighten. Pascal Lamy said that his main priority will be to swiftly conclude the Doha Round negotiations started in November 2001, against which hundreds of social movements mobilized around the world.

While the production of generic drugs is severely restricted, an agreement permitting the importation of these generic products was obtained by poor countries in August 2003. However, this should not be allowed to obscure the fact that, following pressure from big pharmaceutical companies, these imports are only authorised after a long and restrictive procedure, making the drugs inaccessible for most Third World countries.
And as though this were not bad enough, in March 2005, under the pressure of the WTO, India, the leading producer of generic drugs for AIDS, adopted a very restrictive patent reform, which makes it illegal to copy patented drugs and will dramatically increase the price of AIDS drugs available in Southern countries, preventing millions of patients from accessing these drugs.

It is in this context that the CADTM demands the withdrawal of the Doha Agenda, the suppression of the Trade-Related Intellectual Property Rights (TRIPs) agreement, the abrogation of the General Agreement on Trade and Services (GATS), and more generally, the end of structural adjustment policies imposed through the debt mechanism by the International Money Fund (IMF), the World Bank and the WTO, to the benefit of very few. It is time to put an end to this disastrous logic whose failure to advance human development has been amply demonstrated.

List of actions at G8 Scotland Summit