

From the Suites to the Streets: The Unexpected Re-emergence of the “Labor Question,” 1994–1999

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When the World Trade Organization (WTO) met in December 1999 in Seattle, Washington, journalists, politicians, and diplomats were shocked by the vocal and dramatic protests of 30,000 demonstrators critical of the WTO and its gospel of free trade and “globalization.” With Seattle under siege and tear gas drifting into their hotels, the startled WTO ministers were boldly told by U.S. President Bill Clinton that what the protestors “are telling us in the streets” is that labor rights “is an issue that we’ve been silent on.” Speaking in support of a renewed U.S. proposal for a WTO labor and trade working group, President Clinton declared that the organization “should develop these core labor standards, and then they ought to be a part of every trade agreement, and ultimately I would favor a system in which sanctions would come for violating any provision of a trade agreement.”¹ Surprised by the protests and Clinton’s bold stance, journalists in Seattle were quick to hail international labor rights as a hot new policy controversy but offered little in the way of background explanation for the unexpected re-emergence of the “labor question” on the world stage.

Contemporary proposals for a “social” or “worker rights” clause in international trade agreements had first achieved some prominence at the end of the Uruguay Round of negotiations of the General Agreement on Tariffs and Trade (GATT). The months prior to the April 1994 Marrakesh meeting of GATT were marked by controversy because of a joint U.S.–French initiative—backed by the European Parliament—that aimed to place the topic of “labor standards” on the agenda of the soon-to-be-formed WTO. Although this last-minute gambit was rebuffed, the Marrakesh meeting gave the trade union drive for enforceable “international worker rights standards” far greater credibility in the diplomatic and political arena. Attention to the social question in international trade was further heightened by the dramatic controversy in 1993–1994 over the North American Free Trade Agreement (NAFTA), which epitomized contemporary “globalization;” the inclusion of labor and environmental side accords as part of this unprecedented trade and investment pact between the U.S., Canada, and Mexico seemed to provide a compelling and influential precedent for the future.

Ever since Marrakesh, it has become increasingly common to find policy makers and observers of international relations discussing proposals for a trade-linked “social clause” and debating issues such as “social dumping” or the “social deficit” in international commerce. Given a multilateral world trading system that was totally innocent of any explicit social function or vocation, it is quite remarkable how what was once an entirely marginal proposal advanced by the international trade union move-

¹William Clinton, “Clinton’s Words: ‘Open the Meetings,’” *New York Times*, 2 December 1999; David E. Sanger, “After Clinton’s Push, Questions about Motive,” *New York Times*, 3 December 1999.

ment has come to figure in the contemporary discussion of world trade and international relations. Early evidence for this shift could be found in the World Bank's annual development report for 1995, entitled *Workers in an Integrating World*, which boldly asked "Is international integration an opportunity or a threat to workers?" "The lives of workers around the world," the report noted:

are increasingly connected through international trade, capital flows, and migration. This expands opportunities, but it also raises fears that international competition and free-wheeling capital will cost workers jobs or impair their standards of living, and that some groups of workers or countries will be left out of expanding international markets altogether.²

For the first time, a key international financial institution mobilized a wealth of empirical data and detailed analysis in order to assess "whether workers are better off as a result of these [current] globalizing trends" and whether core international labor standards should in fact be "linked to international trade agreements, with sanctions for their violation."³ Although the World Bank's report sought to rebut social clause proposals, *Workers in an Integrating World* acknowledged the accumulating evidence that all was not well for working people, in both the developing and the developed world, and identified troubling trends and growing problems. Its analysis was all the more impressive because the report continued to endorse anti-labor policy recommendations on all of the most fundamental industrial, labor relations, and social issues debated at that time. While criticizing the social clause as a threat to "free trade," the World Bank's 1995 report made several important concessions: that there was in fact "a case for international core standards" to be made; that not all workers in the North and South benefit from freer trade; and that not all advocates of social clauses were closet protectionists. In their nuanced formulation, the danger of social clause proposals lay primarily in the possibility that labor and/or environmental standards might be "hijacked by protectionist interests."⁴

The World Bank, having broadened discussion to include issues ignored by doctrinaire free traders, thus became the first important international institution to officially recognize the labor question in today's globalized world. The next to take up the issue was the Organization for Economic Co-operation and Development (OECD), the club of rich countries as it is sometimes called, whose ministers in 1994 authorized the drafting of a study, approved in 1995, and published the following year as *Trade, Employment and Labour Standards: A Study of Core Workers' Rights and International Trade*. "Even though efforts to improve observance of core standards may be facilitated by economic growth and freer trade," the OECD's sober and non-tendentious volume suggested, "there are reasons to doubt that market forces alone will automatically improve core [labor] standards. Hence the importance of more direct promotion mechanisms." Discarding the dire warnings of critics, they concluded "that proper implementation of some core labour standards can support economic development, permitting an expansion in trade."⁵ The momentum was maintained at the Lyon,

²World Bank, *Workers in an Integrating World*, *World Development Report 1995* (Oxford: Oxford University Press, 1995), 49–50.

³World Bank, 50, 6.

⁴World Bank, 6, 78–79, 121.

⁵Steve Charnovitz, "Trade Employment, and Labour Standards: The OECD Study and Recent Developments in the Trade and Labor Standards Debate," *Temple International and Comparative Law Journal* 11 (1997); OECD and Corinne Deléchat et al., *Trade, Employment and Labour Standards: A Study of Core Workers' Rights and International Trade* (Paris: OECD, 1996), 11, 14.

France, G7 Summit in June 1996, in which the assembled heads of state of the seven most industrialized countries affirmed “that there is a will to address the question of the relationship between trade and internationally recognized core labour standards” as part of a “New Global Partnership.”⁶

By 1997, even the Institute for International Economics in Washington, DC, a prominent and prolific free trade think tank, felt constrained to publish a short book by Dani Rodrik entitled *Has Globalization Gone Too Far?* Together, these developments suggest that the basis upon which international trade was judged and debated had begun to undergo a fundamental shift that alarmed committed “free traders” like Columbia University economist Jagdish Bhagwati. Concern about the impact of non-economic factors, Bhagwati lamented in 1997, “has been steadily coming to dominate the trade agenda.” While perhaps exaggerating the imminence of the threat, Bhagwati and international trade law specialist Robert Hudec published an 1100-page two-volume edited collection in 1997 designed to limit further intrusions of “the three major harmonization issues that most analysts agree are the main issues on the world trade agenda today—environmental standards, labor standards, and competition policy.”⁷

Rather than focusing on developments within organized labor or the mass action in the streets of Seattle, this article examines the unexpected re-emergence of the “labor question,” as a legitimate issue for debate among government officials and international policy intellectuals between 1994 and 1999. The specificity of these voices “in the suites,” and the diversity of their views, are of vital importance as the international labor question—redefined as a worker rights or social clause—builds upon the opening that the issue had achieved in key international economic fora such as the WTO.⁸

THE ROAD TO SEATTLE

Despite the heightened visibility of “social clause” proposals among trade policy elites after Marrakesh, the media and the WTO’s international civil servants continued to approach the issue in a distortedly simplistic fashion. In mid-1995, for example, Reuters reported on the New Delhi visit by the first Director General of the WTO, Renato Ruggiero, the candidate favored by Europe, who bested an Asian contender and gained the job with the withdrawal of the former Mexican President Carlos Salinas de Gotari, newly disgraced, who had sought to crown his career by moving up to the WTO with U.S. support. The Reuters dispatch highlighted the Italian diplomat’s strong support for the poor countries in their fight against any attempt to link trade benefits with domestic labor conditions. Asked about efforts to this end by the U.S. and France, the former consultant to the Italian automobile company Fiat was categorical in opposing “so-called ‘social clauses’” on issues such as child labor.⁹

⁶Andreas Botsch, “Workers’ Rights in the Global Trade and Investment System,” in *Social and Environmental Standards in International Trade Agreements: Links, Implementations, and Prospects*, ed. Norbert Malanowski (Munster: Wesfalisches Dampfbook, 1997), 83.

⁷Jagdish Bhagwati, “Introduction,” in *Fair Trade and Harmonization: Prerequisites for Free Trade. Volume 1: Economic Analysis*, ed. Jagdish Bhagwati and Robert E. Hudec (Cambridge: MIT Press, 1997), 1, 3–4; Dani Rodrik, *Has Globalization Gone Too Far?* (Washington: Institute for International Economics, 1997).

⁸John D. French, *Globalizing Protest: The Fight for Worker Rights in World Trade* (Durham: Duke University Press, 2002).

⁹31 May 1995, *Excelsior* (Mexico City); Bhushan Bahree, “As Europe’s Candidate for WTO Chief, Italy’s Ruggiero Sees Regional Realities,” *Wall Street Journal*, 28 November 1994.

Putting aside the question of their advisability in the abstract, Ruggiero argued, it was clear that "the solution [to such problems] will never be arrived at through restrictive or protectionist measures. When new barriers are erected, one does not create the climate to favor a solution. [And i]f a new [trade] barrier is created, you [actually] reduce the perspectives of growth in the developing countries ... and the problem will get worse, rather than better." Having clearly stated his own negative opinion, Ruggiero went on to express his confidence that the "social clause" campaign had very few international supporters, could be expected to dissipate, and would play no role in the deliberations of the new WTO. If international labor questions were to be discussed, he insisted, then they should be raised in the appropriate venue, namely the International Labor Organization (ILO) in Geneva not the WTO.

Although Ruggiero was diplomatic in his remarks, the Reuters dispatch itself boldly framed the conflict over a "social clause" in its most common, least attractive, and most inaccurate form: as an exclusively North-South conflict that pitted the "developing" and "poor" countries against a campaign led by the industrialized nations. The article quoted an Indian motorcycle manufacturer who attacked this effort to take away "one of the small or few advantages that we have in developing countries ... our cheap labor." In summary, the free traders' "nightmare" vision of the "social clause" presented the initiative as little more than a hostile protectionist measure by Northern workers and businesses who sought, against all of the evidence drawn from free trade theory, to gain additional advantages over their NIC (newly industrialized country) competitors in the developing world.

During the heady days of the early to mid-1990s, Ruggiero's dismissive comments (echoed more cautiously by the World Bank) accurately captured the dominant response to social clause proposals. Yet the presentation of the social clause primarily if not exclusively as a protectionist ploy across the North-South divide does little to clarify the real interests at stake or the politics of the struggle. Indeed, the opponents of the "social clause" completely ignored the opposition to such a proposal on the part of the governments of most industrialized countries. Nor did they mention the decided opposition to a social clause to be heard from almost all big business interests in the North, precisely the groups one might expect to be the obvious beneficiaries of such a "protectionist" measure along with Northern workers. And finally, they failed even to mention the support for some version of a social clause on the part of the vast majority of trade union movements in the developing world—precisely those who speak for the groups that, according to free traders, would be losers in the event of its enactment. Instead, they relied on the national governments of the South to serve as the primary public opponents of the "social clause" advanced by Northern labor. At their meeting of 19–23 January 1995, for example, the Fifth Conference of Labor Ministers of Non-aligned and Other Developing Countries issued the New Delhi Declaration that reiterated their opposition to the establishment of any link between the enforcement of labor standards and international trade.¹⁰

Yet the use of sovereignty arguments by Southern government officials was particularly ironic in light of the past decade in which weaker powers, often for lack of viable alternatives and with little public protest, agreed to surrender significant dimensions of their national sovereignty in a desperate effort to attract investment and debt relief from rich and powerful nations within an increasingly unequal world system. Having resisted GATT membership for decades, the less developed countries had signed on to the

¹⁰ILO Governing Body Information Note 1995.

organization during the Uruguay Round of trade negotiations (1986–1994), which gave birth to the WTO. The new WTO, of which they were now founding members, carried with it an unprecedented subordination of nation states, especially weaker ones, to a powerful transnational entity that not only dictated the policies to be followed but mandated—for the first time—the actual terms under which national legislation dealing with foreign investment, services, and trade-related intellectual property rights were to be rewritten. The same decades had also seen a heightened role for the International Monetary Fund, a controversial institution in the developing world as far back as the 1950s, in dictating very specific “structural adjustment” and austerity measures to the governments of the developing and ex-socialist worlds. Thus the credibility of the “sovereignty” argument used against a hypothetical social clause was low in light of how thoroughly so many governments had embraced their subordinate place within an international order that trampled upon the sovereign rights of weaker and weakened countries. On the face of it, their objections seemed akin to the closing of the barn door after the animals had gotten out; in truth, they were running interference for the powerful international banks and transnational corporations (TNCs), the real beneficiaries of the international *status quo*, while venting their justifiable resentments on a safe Northern target. Sovereignty could be sacrificed in every regard, their rhetoric suggested, except when the potential beneficiaries might be the working people of the developing or developed countries.

Moreover, the social clause hardly rated as a serious threat when compared to many other problems facing the South in the 1990s, such as the heightened volatility and speculative nature of world capital flows, the increasingly aggressive and footloose TNCs, and the continued negative impact of the decline in the terms of trade for many primary commodities (all factors recognized in the 1995 World Bank report). There was an added irony when an Indian manufacturer or a Nigerian “industrialist” stood up at an ILO meeting to resolutely oppose the social clause. After all, it was precisely the liberalization of trade and the striking down of protective tariffs and preferential national treatment in the South that had stunted their own prospects, as capitalists, for developing or even maintaining an indigenous manufacturing sector. As has long been observed about early capitalist development, free trade is for the strong while protection is for the weak (or for the weak who wish to be strong, as was the case with the notoriously protectionist tariff policies of the U.S. in the 19th century).¹¹

Renato Ruggiero’s public discussion of the social clause in 1995 also completely ignored the proposals that were on the table internationally. To score points, he attacked a hypothetical social clause that would close down all trade with a violating country (something not in fact contemplated in any of the actual proposals under discussion). His cavalier dismissal of this false representation was followed by a final dismissive gesture suggesting that the ILO was the only proper venue for such issues; his enthusiasm for the ILO, in this context, was likely related to its institutional weakness and its lack of any enforcement powers. Moreover, Mr Ruggiero well knew that the ILO had been consumed by an intense debate in 1994–1995 regarding the ILO Director General Michel Hansenne’s proposal to establish a joint ILO/WTO working group to discuss the “social dimension” of international trade. As a final irony, the employer and government opponents of the social clause in the tripartite ILO debate often agreed with Ruggiero: they too declared that the issue *should* be dealt with, but

¹¹Dana Frank, *Buy American: The Untold Story of Economic Nationalism* (Boston: Beacon Press, 1999), 43.

they insisted that it could *only* be handled by the WTO, where trade issues properly belonged, rather than in the ILO!

In 1995, WTO chief Ruggiero was serenely confident that the social clause issue, having been laid to rest at Marrakesh, would never reach his organization again. Reflecting wishful thinking at best, Ruggiero was being less than forthright about the ability of a handful of great powers, such as the U.S., to influence the agenda of international organizations—even those with 135 members (as in the case of the WTO). In Seattle less than five years later, the labor issue would once again emerge at the center of the deliberations of the WTO, at its Third Ministerial Conference from 30 November to 3 December 1999. As the host of the meeting, the U.S. government had succeeded in placing its earlier labor rights initiative back at the center of WTO debate, but this time with a difference: the whole world was watching.

The distance traveled between 1995 and 1999, a veritable sea change in international public opinion, could be measured by the contrast between the aggressive dismissal of the social clause debate by Ruggiero in 1995 and the more chastened, even defensive posture adopted in 1999 by his successor as WTO Director General, Mike Moore, during his U.S. speeches prior to Seattle. Speaking in a country whose stature as the dominant world hegemon was unchallenged, Mr Moore spoke a very different language than simple “free trade.” Addressing a Seattle conference on “Globalization and workers’ rights” sponsored by the International Confederation of Free Trade Unions (ICFTU), Mr Moore defended the WTO from its labor critics by hailing it “as a way of lifting living standards for working people everywhere.” The New Zealander defined the multilateral trading system anchored in the WTO primarily in terms of “international solidarity, [and] interdependence, breaking down barriers between people as well as economies ... Prosperity and peace,” he insisted, was the WTO’s slogan since only economic “openness and freedom” could guarantee “more jobs, opportunities, and security to working people.”¹²

Getting down to brass tacks, Moore told the assembled trade union leaders from around the world that he was shocked by the destructive, confusing, and “in many ways false [current] debate” about labor and trade. He lamented “the bitterness and divisiveness” surrounding the issue because it destroyed “the underlying consensus that exists about the social problems all countries face in this interconnected world.” After all, governments everywhere, he claimed with naive credulity, “have an interest in improving their social and labor standards” and “no-one complained about globalization when the Berlin Wall fell or South Africa was freed, or the Colonels returned to their barracks and freedom rose.” The underlying principles of economic freedom and markets, he insisted, were just as fundamental as the universal rights contained in the 1948 United Nations Declaration of Human Rights or in the Declaration of Fundamental Principles and Rights at Work adopted in 1998 by the ILO. United, he insisted, we can all work together to “inch up workers’ and families’ conditions.”

Yet Director General Moore did not expect to sweep all before him in his address to the 300 trade unionists from 100 countries who had assembled in Seattle at the invitation of the ICFTU, an international trade union confederation that brought together 213 national trade union bodies from 143 countries representing 124 million

¹²Mike Moore, *Labor Issue Is ‘False Debate’, Obscures Underlying Consensus, WTO Chief Mike Moore Tells Unions* [Speech Delivered by WTO Director General at the ICFTU Conference on ‘Globalisation and Workers’ Rights’ in Seattle, Washington, 28 November 1999] (http://www.wto/news/press_152.htm) (World Trade Organization, 1999) (accessed 7 February 2000).

officially enrolled members. The decision to hold the ICFTU's conference, and the executive board meeting that preceded it, in Seattle, at the same time as the WTO ministerial meeting, was itself unprecedented in the history of post-war trade negotiations. The ICFTU delegation in Seattle included 60 trade union leaders from five continents, including many of the top leaders from the organization's most powerful affiliates, including the German DGB, the Japanese RENGO, and the British Trades Union Congress. Nor were they in Seattle merely to hear speeches, to lobby quietly in the halls, or to have some good meals in a prosperous city with world class restaurants; they were also in Seattle, the site of one of the few general strikes in U.S. labor history, to participate in the protest march being organized by its U.S. affiliate, the AFL-CIO, for the opening day of the WTO meeting on 30 November.¹³

"Globalization," ICFTU Secretary General Bill Jordan told the conference, "promises a great deal, but is delivering insecurity and cruelty to millions," resulting in "an unprecedented loss of confidence throughout the world that the global trade and investment system works in the interest of ordinary people." Jordan also welcomed the diversity to be found among the "tens of thousands of protesters [in Seattle] ranging from trade unionists to farmers, from intellectuals to environmentalists ... All are concerned that inequality, injustice, social depredation and environmental destruction will only worsen if the world economy faces further trade and investment liberalisation under the present rules ... [that have] exacerbated inequality and undermined democratic decision-making by national governments." Decrying "unregulated or inadequately regulated competition," Jordan was emphatic in his rejection of the argument that:

... as development proceeds [national governments] will gradually, in some way automatically, introduce improvements [in core labor standards]. Those theories do not describe the harsh realities faced by workers around the world today. In many countries there is still no protection of basic workers' rights and if workers do start to get their rights, the companies they work for will simply shift to some other location.

The British labor leader ended with a call for a new internationalist militancy to put an end to "nineteenth century conditions surviving into the twenty-first century."¹⁴

In the face of such forceful criticisms, Moore could hardly afford to be Panglossian by hailing the WTO-based system of international investment and trade as the source of ever-increasing prosperity, ever more broadly spread to ever more countries and people. Too much had happened in the world economy over the previous five years, starting with the unexpected collapse of the Mexican peso, in late 1994, immediately after the signing of the North American Free Trade Agreement (NAFTA). The dramatic crisis that hit Mexico, despite its wholehearted adoption of U.S. economic prescriptions, was followed by the cycle of destructive financial crises that wrecked so many of the Asian developing countries in 1997, including the so-called NIC "Tigers," rocked a weakened Russia in 1998, and shook Brazil. Even Japan, a core OECD country, was still staggering economically in 1999 after its fall from grace, while an increasingly unstable international financial system was racing from one crisis to the next, successfully staving off a world meltdown.

¹³ICFTU Online 99125/LD; 99128/LD; 99127/LD.

¹⁴ICFTU and Bill Jordan, "Speech by Mr Bill Jordan, General Secretary, at the Opening of the ICFTU Public Conference on 'Core Labour Standards in the Global Economy.' Geneva, Saturday 16 May 1998" (ICFTU, 1998).

And the triumph of “freedom” in 1989–1991, hailed by Mr Moore with such enthusiasm, had turned sour a decade later for the ex-Soviet Union and much of Central and Eastern Europe. The so-called “countries in transition” had found that their “embrace” of the international capitalist system of private property, trade, and investment had wrought an economic meltdown with staggering losses of gross national product, a precipitous fall in exports, and the destruction not only of much of their societies’ productive base but of their human capital endowment as well. Looking back over a decade, one finds in much of the ex-socialist world a horrifying cauldron of radical impoverishment and unscrupulous private pillage. On average, the story of the countries in transition to capitalism served as a reminder of the worst ravages of primitive accumulation in the 19th century.

So not even the WTO’s Director General could be overly sanguine in 1999:

Not all our critics are wrong. We live in a time when we have never had so much but we’ve never felt so insecure. One day companies announce their highest profits, and the next a thousand layoffs. We can’t find enough trained workers in sectors like high technology and in cities like Seattle; but in other sectors and other regions, jobs are disappearing, never to return. Even in the most dynamic economies like the United States we find large parts of the work force losing ground or facing redundancy. Productivity is being decoupled from employment—growth from redistribution. Both within and between nations the gap is growing.¹⁵

Yet Moore went on to note soothingly that “every great and historic period of economic transformation has been accompanied by uncertainty about the future, disillusionment with leaders and reaction to change.” The real dangers facing the world were to be found, he argued, in the “backlash to globalization,” not in the contemporary processes of economic integration, trade, and investment. “Globalization is becoming shorthand,” he complained, “for everything we don’t like about the world as it is.” Alluding indirectly to proposals for a WTO social clause, Moore argued that placing restrictions on trade with the developing countries, for whatever reason, would “not stop children being put to work. Or lift the living standards of their families.” That could only flow from trade-related economic growth since, “as living standards improve, so too does education, health, the environment, and labour standards.” Moore’s commonplace metaphor for economic growth and its effects, a rising tide lifts all boats, was at best a half-truth in the context of a world where not all boats were equal; where some boats, even while rising, had structural weaknesses or leaks that bode poorly for the future; and where still others were without a boat at all in decidedly stormy seas.

Moore did admit to his listeners, however, that “the benefits of the global economy are not evenly shared,” but he quickly reminded them that 20 million new jobs had been generated by trade in the U.S. in the last six years—“jobs which pay on average 25% more than non-trade related jobs.” This feat demonstrated, to his satisfaction at least, that “trade is the ally of working people, not their enemy.” Moore’s choice of the U.S. example was unlikely to be convincing to the many millions of workers in the first Southern countries to industrialize, such as Brazil and Mexico, which had lost jobs, in the last 15 years, as a result of the impact of a surge of cheap imports, often from OECD countries, that accompanied economic “openness,” minimalistic state regu-

¹⁵Moore, *Labor Issue Is ‘False Debate’, Obscures Underlying Consensus, WTO Chief Mike Moore Tells Unions* [Speech Delivered by WTO Director General at the ICFTU Conference on ‘Globalisation and Workers’ Rights’ in Seattle, Washington, 28 November 1999].

lation, and liberalized rules of investment and trade. The GATT/WTO policy consensus, now widely embraced by Southern governments, rejected government intervention in the economy, whether in the form of public ownership, directed foreign investment, or “excessive” regulation, as well as the protective tariff policies that were the hallmarks of the import substitution industrialization model embraced by the more advanced developing countries in earlier decades. Yet even political or business leaders in the South who enthusiastically supported the new neo-liberal orthodoxy would have found only humor in the idea that the “promise of trade” could be illustrated by the unique experience of the U.S., the world’s unquestioned economic powerhouse and sole military superpower.

Yet Moore was hesitant to stake the credibility of his case against preserving the old *status quo* (“which is just yesterday’s compromise” as he called it) on strictly economic grounds. Such “attacks on economic openness,” he warned, were “part of a broader assault” on “foreigners, immigration, a more pluralistic and integrated world. Anti-globalization, in this interpretation becomes the latest chapter in the age-old call to separatism, tribalism and racism—the ‘them’ versus ‘us’ view of the world.” Pulling out all the stops, he invoked the ideals of internationalism of his generation of New Zealanders, who had seen how protectionism produced the Great Depression and, “from that depression came war and [the] twin tyrannies of our age, fascism and marxism [sic]” which had been fought by the “democratic trade unionists” of the post-World War II era. Evoking a common social democratic past, he spoke of how, in his youth, he had taken to heart “the old songs about international solidarity and the brotherhood of man ... It concerns me,” he ended, “that many of those [today] who sincerely want a better and more just world now find themselves aligned with those who stand against internationalism in all its forms. I guess globalization is the last ‘ism’ to hate.”

Yet Mike Moore’s tone of tempered realism in 1999 was not restricted solely to an audience of trade unionists that the WTO chief sought to placate and win over. On the same day as his ICFTU address, 28 November, he also made his first public statement in the U.S. as the new WTO Director General. As the candidate favored by Washington in the WTO’s fractious internal dispute over Ruggiero’s succession, Moore was quick to praise his host country during his address to the Council on Foreign Relations in Washington, DC. At the outset, he acknowledged the unique leadership role of the U.S. while noting, sympathetically, that “it’s hard sometimes to be American, because you are asked to lead and then accused of bullying when you do.” Reiterating the inseparability of political and economic freedom, Moore once again hailed the 10th anniversary of the fall of the Berlin Wall while exulting that “the end of the Cold War meant the end of any pretense of a viable competition between centrally-planned and market-based systems of economic and social organization.” From there, he moved quickly to the principal focus of his address: globalization and its discontents.¹⁶

As he had done in his talk to the ICFTU, this powerful administrator of the new international system of power granted that “not all our critics are wrong,” and he recognized the frustrated expectations of those who had believed, at Marrakesh, that there had been “no losers, only winners” in the outcome of the Uruguay Round. In fact, he boldly admitted that the less developed countries:

¹⁶Mike Moore, *Challenges for the Global Trading System in the New Millennium. Speech by the WTO Director General Delivered to the Council on Foreign Relations in Washington DC on 28 September 1999* (<http://www.wto/news/press/139.htm>) (World Trade Organization, 1999) (accessed 7 February 2000).

... have yet to share in the benefits of globalization ... According to the World Bank, per capita incomes in the richest 30% of countries rose from a little over \$10,000 in 1970 to \$20,000 in the mid-1990s. In the middle and lower two-thirds of countries, income did little more than stagnate at far lower levels. But, people are appalled and dismayed when they see the few living in splendor and the many in squalor, with half the world dieting and the other half starving. This is not only about a widening gap, with everyone better off than before. Some are absolutely worse off than they were two or three decades ago ... [Even in the U.S.,] which has enjoyed an unprecedented period of economic growth and low unemployment, ... people feel less secure, are more worried, and uncertain. Increasing numbers, not just in the United States, feel excluded, forgotten and angry, locked out and waiting for a promised train that may never arrive.

Having added a dose of realism uncommon to a classical free trade discourse, Moore was led to publicly recognize other not-so-pleasant realities. Although he claimed at one point that the international economic system was based on "a system of rules instead of the exercise of power," he nonetheless agreed that "some truth perhaps remains" in the characterization of the WTO as a "rich man's club ... The recent Asian financial crisis came as a profound shock just at a time when many commentators and economic forecasters were beginning to talk of a globalized economic system that would deliver uninterrupted growth and untold prosperity into an indefinite future." While refusing to exaggerate the negative, Moore emphasized the danger that "certain people are tempted, in demagogic style, to blame globalization and trade for this state of affairs." In truth, he insisted, trade, specialization, and technological change are in fact the *only* source for resolving the problems of "inequality and exclusion." While recognizing that "trade is not an end in itself," he stressed that "we should [always] remember to say," in defending globalization, that we do so "*because*: because we want more jobs, more income for social expenditure and *because* we want a safer world." We can and will progress, he concluded, as long as we work together, avoid unilateral action by member states, and further open markets in the industrialized world for products from the developing world.

Overall, the defense of contemporary globalization and the international competitive marketplace by the WTO Director General was marked by a curious disconnection between the depth of the real problems acknowledged and the absence of any concrete discussion of how they might be remedied or ameliorated. Indeed, Moore spoke at times as if better public relations were the key to changing the increasingly critical tenor of world-wide responses to the current global *status quo* ("because, because, because"). Yet his speeches did not leave the reader with the sense of a man deeply conflicted or at war with himself. He offered neither a coming to terms with his own earlier illusions, freely proclaimed ("I believed globalization meant unparalleled growth and prosperity for all, but I was wrong"), nor a list of even modest suggestions for change to deal with the profound problems he had identified. He offered as remedies little more than more trade (for the U.S., for Europe, for the developing and transition countries) and he reiterated, once again, the oft-repeated pleas and promises that the privileged and powerful nations of the North should or would admit more products from the developing world and thus secure Southern prosperity. The impact of the hollowness of Moore's discourse was minimized, however, because of the underlying certainty, even fatalism, that imbued his world view. This dimension was best captured by a

curiously restrained remark that Moore quoted from U.S. President Bill Clinton, who had observed, on the 50th anniversary of GATT, that “globalization is not a proposal or a policy choice, it is a fact.” Formulated in this fashion, a contentious debate would be cut short before it even began and critics or, better put, doubters would be consigned to the camp of flat-world believers a decade after Columbus’s “discovery” of the New World.

Like Moore, the establishment media coverage of the Seattle protests placed heavy emphasis on the inevitability of current global processes. This too spoke in common-sense terms (of course, progress and more trade are good for all) while invoking high-minded ideals such as “internationalism” that stood in stark contrast to the backward and anti-humanistic currents that lurked behind any “protectionist” criticism of contemporary “globalization.” The reportage on the Seattle WTO protests, Madeleine Bunting noted at the time in the British *Guardian Weekly*, was full of “lurid reports of multicolored-haired, body-pierced, tattooed anarchists ... We have been warned of reheated 60s hippies with a sinister twist of violent far-right elements. There is nothing more repulsive,” it will be hinted, “than political naivety in bed with fascism.” In the words of Thomas Friedman, the most distinguished journalistic propagandist of globalization, “a Noah’s ark of flat-earth advocates, protectionist trade unions and yuppies looking for their 1960s fix” had been duped by right-wing Republican Pat Buchanan.¹⁷

Yet such “a gross distortion of a crucially important event,” Bunting emphasized, was less important than what so many reporters had missed. Seattle was:

... the stage for a set-piece confrontation displaying the ideological divide that is emerging in the wake of the cold war split between capitalism and communism. What is slowly emerging is a riposte to global corporate capitalism and its perceived henchmen—national governments. The fragments of this critique are scattered across the globe ... [and] may currently lack organization but the ideological divide is as stark as it ever was in the cold war—there is little common ground and considerable mutual contempt ... That this ideological divide should show up so sharply in Seattle is no coincidence because the WTO ... conflates progress and globalization.

On the opposite side from Moore, Clinton, and Britain’s Tony Blair, Bunting suggested, one finds observers who are less enthusiastic about the current “fact” of globalization. They see problems despite admitted achievements, recognize disasters as well as triumphs, and emphasize the social and environmental costs that have been ignored. “Each argument,” Bunting notes,

is perfectly coherent within its own frame of reference; they are two profoundly different ways of looking at reality. The worrying thing is that those who believe in progress hold all the cards; they run the WTO, they run the multinationals and run governments ... What is terrifyingly totalitarian about the progress groupies is their dangerous characteristic of claiming inevitability.

In particular, she quoted the “chilling clarity” of British Prime Minister Tony Blair at the recent Labour Party Conference: “These forces of change driving the future don’t stop at national boundaries. Don’t respect tradition. They wait for no one and no nation. They are universal ... [Either] a nation masters the future [or] fail[s] and it is the future’s victim.”¹⁸

¹⁷Thomas L. Friedman, “Senseless in Seattle,” *New York Times*, 1 December 1999.

¹⁸Madeleine Bunting, “Stop the Wheel, I Want to Get Off,” *Guardian Weekly*, 2–8 December 1999.

The Politics of "Free Trade" and Labor Rights in Seattle

While a nonchalant acceptance of the "facts" of globalization is fully to be expected from the head of the WTO, the truth was that Moore found it difficult to execute a proper balancing act as he prepared for the Seattle WTO gathering, which was to have defined the agenda for a new round of trade negotiations. The so-called Millennium Round, which would serve to further extend and deepen the WTO model of trade and investment, had become the focus of protest by various activist coalitions, especially trade unionists and environmentalists. Although at best a nuisance and a distraction, such external critics could not be dismissed because their efforts had been encouraged, if not sanctioned, by the Clinton administration. As Moore prepared to preside over his first WTO ministerial conference, he also had to come to terms with the reality that none of the 135 WTO member governments truly believed in *free* trade as such, in practice. As had been proven in earlier GATT negotiating rounds going back to 1948, even their embrace of *freer* trade was conditional upon their judgement that it benefited the perceived "interests" of their businesses, their societies, and their nations. Thus, each of the major nations and regional power blocs had come to the bargaining table in Seattle with conflicting goals and incompatible demands, all cloaked in the language of free competition and universal open trade. Indeed, the clashing interests of the U.S., the European Union, Japan, and the developing world had already generated a deadlock that had prevented the WTO from choosing its second director general to replace Renato Ruggiero. In the end, the various sides had to settle for a compromise in which the U.S. candidate, Moore, was to split a six-year term with an Asian representative, Thai Commerce Minister Supachai Panitchpadki.

If all this cacophony were not enough, Moore faced the additional headache in Seattle that Bill Clinton's administration had chosen to foreground a set of controversial "new issues" for inclusion on the trade agenda. In addition to proposals on the environment and reforming the WTO's internal processes, the U.S. was seeking to resurrect the discussion of labor and trade that had been buried at Marrakesh in 1994 and finessed at the WTO's Second Ministerial Conference in 1996 in Singapore.¹⁹ As a representative of the WTO, Moore could neither ignore new issues nor could he afford to embrace them; thus, his incomplete or incoherent speeches aimed at placating both sides without satisfying either.

The posture of the U.S. representatives in Seattle was, by contrast, far more tranquil. As the host, U.S. Trade Representative Charlene Barshefsky chaired the WTO conference and her address to the ICFTU, a day after Moore, was far more optimistic about globalization. She placed particular emphasis on the immense progress that humankind had made since the founding of GATT in 1948. In her remarks to the labor leaders in Seattle, Barshefsky exuded confidence, not only in the power of her country but also in the righteousness of its policies and goals. Unlike Moore, her speech had an air of self-satisfaction and she offered not a single word of concern about the excesses or unfulfilled promises of globalization. Moving to the core of her presentation, Barshefsky emphasized that "to create a world of fair and open trade under the rule of law is to accept an open economy for ourselves. That has many benefits," for all she implied, but it also "means competition; and competition means change and adjustment to it." After this bland and unspecific reference to the very concerns that brought the ICFTU leaders to Seattle, she went on to discuss three of the key non-economic agenda items

¹⁹Charnovitz, "Trade Employment, and Labour Standards: The Oecd Study and Recent Developments in the Trade and Labor Standards Debate."

being advanced by the U.S. for the Millennium Round: a deepening of the WTO's discussion of the environment (a WTO working group on this issue already existed); reform of the WTO's internal procedures to achieve openness and "transparency;" and the introduction of a WTO working group on the links between trade and labor (curiously enough, she had nothing to say about a specific U.S. agenda proposal to meet the needs of the less developed countries). Of the three items, it was the controversial question of labor and trade that was awaited by her audience with anticipation. In this regard, Barshefsky was categorical: "Today, in a formal sense, the WTO does not recognize that links between trade and labor exist. This is not a position which can endure: it is intellectually indefensible, and it will over time weaken public support for the trading system."²⁰

A day after Barshefsky's address to the ICFTU, the government ministers, WTO officials, businessmen, and journalists gathered in Seattle would learn both something radically new and something very old about the world in which they lived. For the first time in the 50-year history of the GATT/WTO, popular street protests—mishandled by the police—would place their meeting on newspaper front pages and television screens throughout the world. "It's a strange paradox," as Mike Moore would say later in the week, "that at its moment of greatest success, four years after the conclusion of the Uruguay Round and fifty years after the founding of GATT, the multilateral system of trade has become the object, for the first time, of verbal hostility and even violence."²¹ Although his complaint about anti-WTO violence was overstated (in fact, the vast majority of violence was carried out by the Seattle police against non-violent demonstrators), Moore was quite correct that a wide and diverse coalition of interests and causes had come together in large numbers in Seattle to protest the future being promised by and through the WTO.

The opening day of the WTO conference in Seattle, on Tuesday 31 November, was made memorable by a combination of large-scale peaceful protests—including a labor march of tens of thousands organized by the AFL-CIO—with non-violent civil disobedience designed to "shut it down." In good part, the public relations disaster that occurred was both predictable and quite surprising. On the one hand, the Democratic Mayor of Seattle Paul Schell, a former Dean at the University of Washington, had hoped to highlight his city's stature in world trade—as home of Boeing and Microsoft—while maintaining its reputation as a "gentle city, open to ideas" by avoiding ostentatious overpolicing and thus creating "a model for creative debate" over trade. "This administration," he said the next day, "has people who marched in the 1960s [against the war in Vietnam]. The last thing I wanted was to be mayor of a city that called in the National Guard," precisely what the Mayor had done by the end of Tuesday along with declaring a "state of emergency."²²

Having allowed protesters to gather near the WTO meeting site, the police on Tuesday inexplicably failed to respond with arrests to the sit-downs in the street that were designed to disrupt the arrival of delegates (as the protesters had expected). Instead, the undermanned but heavily armored Star-Wars-looking policemen on the scene attacked the assembled non-violent protesters with tear gas and rubber bullets. And they did so precisely as tens of thousands of trade unionists, some of whom

²⁰Charlene Barshefsky, *Remarks to International Confederation of Free Trade Unions by Ambassador Charlene Barshefsky, US Trade Representative at the WTO Ministerial Conference in Seattle, Washington, November 29, 1999* (<http://www.usia.gov/wto/la/1129.htm>) (U.S. Information Agency, 1999) (accessed 7 February 2000).

²¹Barshefsky.

²²Clóvis Rossi, "Nova Rodada Encontra 'Fúria sobre Globalização'," *Folha de São Paulo*, 28 November 1999.

stopped to help, were marching through the city to the site of their anti-WTO rally, with 900 metalworkers from Boeing leading the way. In the end, the police, more than the protestors, were responsible for preventing so many ministers and government representatives, including Barshefsky and U.S. Secretary of State Madeleine Albright, from getting to the inaugural session of the WTO's ministerial meeting. The ineptness of police planning and command in Seattle, which would lead to the resignation of the police chief, was illustrated even more dramatically by the failure of the police to halt a small group of anarchist youth. In the midst of the action, the latter vandalized stores and broke windows in the area surrounding the convention hall, while spray painting "Property is theft" and other slogans on the icons of U.S. consumer culture.²³

While the beginning of the Uruguay Round of negotiations in 1986, as Moore observed later in the week, was met with the apathy of the world's people, "the launching of the new round in Seattle has been received with far more emotion, both positive and negative."²⁴ On Wednesday, as U.S. President Bill Clinton left for his luncheon with the WTO ministers, downtown Seattle was silent with thousands of police and National Guardsmen aggressively keeping the protestors outside of the downtown area. At the outset of his remarks at the Four Seasons Hotel, Bill Clinton did his best to lighten the mood by praising Mike Moore as "the ideal person to head the WTO, because he has a sense of humor—and boy, do we need it right now. (Laughter) Did you see the gentleman holding up the big white napkin here before we started? He was doing that to get the light for the television cameras. But he was standing there hold[ing] the napkin and Mike whispered to me, he said, well, after yesterday, that could be the flag of the WTO. (Laughter)."²⁵

While invoking a vision of "a new WTO round for a New Century" based on "jobs, development, and broadly shared prosperity," Clinton had no compunctions about positioning himself on the side of the protestors. Although he condemned the violent minority and suggested that other protestors had too short a memory, he was nonetheless glad that they were in Seattle "because they represent millions of people who are now asking questions about whether this enterprise in fact will take us where we want to go." Throughout the 50 years of GATT's "rule-based system," he went on, there have always been disagreements but, "to be fair, it was a conflict that operated within a fairly narrow band ... [because] trade decisions were largely the province of trade ministers, heads of government, and business interests. But now, what all these people in the street tell us is that they would also like to be heard. And they're not sure that this deal is working for them."

Reaffirming the value of trade liberalization, Clinton went on to list U.S. objectives—including a moratorium on taxes on e-commerce and an end to agricultural restrictions—before turning to the new agenda themes being proposed by the U.S. On the question of labor and trade, Bill Clinton made clear that the WTO, in his view, must bring labor concerns into the trade debate just as the protestors outside the halls had rightly demanded. The WTO, he went on, "must make sure that open trade does

²³Charles R. Bergquist, "Las Protestas de Seattle: Política Democrática para Un Nuevo Siglo?" *UN Periodico*, 13 February 2000; Timothy Egan, "Black Masks Lead to Pointed Fingers in Seattle," *New York Times*, 2 December 1999; Margot Honblower, "A Batalha em Seattle," *Folha de São Paulo*, 25 November 1999; Public Citizen, "World Trade Organization Seattle WTO Ministerial Conference" (1999); Sam Howe Verhovek, "Seattle Is Stung, Angry, and Chagrined as Opportunity Turns to Chaos," *New York Times*, 2 December 1999.

²⁴Rossi, "Nova Rodada Encontra 'Fúria sobre Globalização'."

²⁵Clinton, "Clinton's Words: 'Open the Meetings.'"

indeed lift living standards” and “respects core labor standards that are essential not only to worker rights, but to human rights.” Aware of the opposition of the developing countries—a concern heightened by his declared support, in a Seattle newspaper interview earlier that week, for eventual sanctions of violators—Clinton admitted, in all candor, “that if we had a certain kind of rule, then protectionists in wealthy countries would use things like wage differentials to keep poorer countries down—to say, okay, you opened your markets to us, now we’ll sell to you. But you’re selling to us and we want to keep you down, so we’ll say you’re not paying your people enough.” The answer to these valid concerns, as with the similar distrust about environmental proposals, “is not to just throw away the issue. The answer is to write the rules in such a way that people in our position, the wealthier countries, can’t do that, can’t use this as an instrument of protectionism. We can find a way to do this,” he ended with confidence while his advisors scrambled, off stage, to assure developing countries that the U.S. had no intention of cutting “off American markets to India and Pakistan if they did not raise wages to American levels.”²⁶

On the whole, Clinton’s speech displayed the rhetorical skills for which he is famous. Earnest, upbeat and well meaning, even naive, Clinton’s discourse made tough and contentious issues seem obvious and unproblematic (“We can drag our feet, or we can run through an open door”). While he made his agreement with the protestors’ concerns clear, Clinton’s speech failed to reflect any deep-seated uncertainty about the “facts” of globalization; indeed, he had formulated his goal in clear terms over the previous years: a continuation of the contemporary model of globalization but with “a human face.” In its smoothness, his gestures of inclusion might strike those in the streets as a cynical or slick maneuver designed to neutralize their protest (a continuation of his proven domestic political posture of “I feel your pain”). The WTO’s opponents were also skeptical of Clinton’s statements, but only in part due to his past actions—such as leading the 1993 fight to approve the NAFTA agreement over the opposition of the majority of his party and the labor movement. As a good politician, of course, Clinton was well aware that six years is ancient history in politics. Yet his rhetorical courting of labor in Seattle—including his theoretical support for sanctions—had to be balanced against the announcement, just prior to his speech, that the U.S. had reached an agreement with China to allow that country’s admission to the WTO, a victory for big business. If the voice of protest was heard through Clinton’s discourse, in other words, it was at best a muffled one hidden under a blanket of sickly rhetoric and far too little content from the protestors’ point of view. If Clinton did not sound entirely insincere, it was due less to his speech-making skills than to the electoral demands of the up-coming presidential primaries in which his Vice-president Al Gore was seeking the Democratic Party nomination with Clinton’s blessing.

Clinton’s hortatory tone and humanitarian posturing, on the other hand, must have tried the patience of many of the “responsible” business and government men in his audience. Yet Clinton was certainly not isolated in his rhetoric in Seattle, at least among his North Atlantic counterparts, many of them from European center-left parties who were now back in national office after a long exile from power. European discourses paralleled Clinton’s stance while sounding a broadly similar note of earnest concern. “We must respond to the legitimate preoccupations of our societies,” said the Finnish International Trade Minister Kimmo Sasi, “in relation to unemployment,

²⁶Clinton, “Clinton’s Words: ‘Open the Meetings,’” Celia W. Dugger, “Why India and Others See US as Villain on Trade,” *New York Times*, 17 December 1999.

poverty, [and] marginalization” as well as to concerns “about the effect of additional commercial liberalization on development, the environment, the health of the consumer and social progress.” The British representative of the Blair government, the Minister of Commerce and Industry Stephen Byers, went so far as to ask: “Can the WTO stop being seen as a servant of the multinationals and, instead of that, affirm itself as a body that protects and defends the interests of all of its members?”

The European Union’s official trade representative in Seattle, French socialist Pascal Lamy, suggested that “we must respond to the questions” being raised, and “the way to do so is to add these themes to the WTO negotiations.”²⁷ The French representative spoke with authority because the European Union had also come to Seattle, like the U.S., with a proposal for an international discussion regarding labor and trade. Despite Lamy’s claims, the European Union’s publicly articulated position encouraged discussion of core labor rights but only *outside* of the Millennium Round of WTO negotiations.²⁸ In June 1999, the Secretary General of the European Trade Union Confederation (ETUC) criticized this as a shocking retreat from the European Union’s earlier position in favor of the inclusion of social and environmental issues in the negotiations.²⁹ Courting the developing world for their votes within the WTO, the European Union’s October 1999 resolution also explicitly declared its “firm opposition to any sanctions-based approaches” (precisely the most newsworthy governmental development that would occur in Seattle on the labor and trade front). As it had done in the past, the European Union’s oft-reiterated support for a social or worker rights clause—in European Parliament resolutions and in other fora—proved far from binding in the context of trade negotiations with bottom lines of great practical importance for European interests such as TNCs and farmers.

At the very outset of the new Millennium Round, few nations or blocks of nations—like the European Union—saw much to be gained from signing on to the U.S. initiative. In the case of Western Europe, the European Union would need votes if it were to preserve, once again, the highly protectionist agricultural support programs that were the prime target for the U.S. and many agricultural exporting countries in the developing world. Nor did Japan, another dominant OECD power with a long history of trade-related conflicts with the U.S., endorse the new U.S. initiative or even its more moderate European Union alternative.³⁰ The general perception, well captured by a *New York Times* reporter, was that the U.S. was “hoping to seize an astounding moment of American power—economic power, cultural power, and military power—to satisfy powerful domestic constituencies.”³¹

Successive trade negotiating rounds had developed certain rituals in the half-century since the founding of GATT. Although a specific political/electoral juncture stood behind Clinton’s labor and trade initiatives in Seattle, similar proposals had been advanced—with more or less enthusiasm—by both Democratic U.S. presidents like Harry Truman and Jimmy Carter and Republicans like Dwight D. Eisenhower, Ronald

²⁷Clóvis Rossi, “Protestos Forçam Autocrítica na Omc,” *Folha de São Paulo*, 2 December 1999.

²⁸European Union, “Preparation of the Third WTO Ministerial Conference. Council Resolutions. 25th October 1999” (1999).

²⁹For the criticism by Western European trade unionists, see ETUC, “Council Must Uphold Summit Conclusions on Labour Standards” (Brussels: ETUC, 1999); ETUC, “Is the EU Ignoring Labour Standards for the Seattle WTO Meeting?” (Brussels: ETUC, 1999).

³⁰Robert Evans, “US Seen Pushing for Trade-Labor Sanctions [Reuters],” *Yahoo! Finance*, December 1999.

³¹Sanger, “After Clinton’s Push, Questions about Motive.”

Reagan, and George Bush. If such formal advocacy was traditional in U.S. trade policy, it was far from clear whether the U.S. was now any more serious than in the past about making workers' rights and labor standards a central negotiating priority. Thus, the heightened labor rights advocacy by Clinton in Seattle—which was even stronger than in Marrakesh in 1994—was nonetheless subject to cross-cutting influences which made final judgement difficult. During his presidency, Clinton had personal triumphs on the trade front, such as the passage of NAFTA in 1993, a big business victory even if it came with weak side accords on labor and the environment. In 1994, he could present the passage of the GATT/WTO treaty as a victory as well, although the Republican Congress renewed his “fast track” negotiating authority with an explicit denial of his right to include environmental and labor issues in any agreements. Later, Clinton suffered setbacks at the hands of labor, environmentalists, and Democrats when Congress twice voted down “fast track” authority, which forces the Congress to vote an entire trade agreement up or down thus facilitating its approval.

As Clinton went into the Seattle WTO negotiations, the U.S. President had on hand a formal letter, signed by U.S. organized business and labor, that offered their endorsement of his overall negotiating agenda including the formation of a WTO working group on labor and trade.³² Yet there was good reason to question whether, in the words of one labor rights advocate, “the U.S. government is pursuing a social agenda in good faith,” even prior to the U.S. announcement of China's admission to the WTO. Terry Collingsworth, of the General Council of the International Labor Rights Fund in Washington, for example, was extremely critical of the administration's approach—which seemed to him deliberately designed for failure—and his suspicions before Seattle were not allayed by “reports that the Administration sold the [working group] idea to the U.S. business community by assuring explicitly that this is a non binding commitment to allow a discussion to occur, and [that] there is absolutely no commitment to demand or support any position linking trade to labor standards at the WTO.”³³ In other words, the North of the world system—even in the case of the United States—hardly spoke with one voice on labor rights and trade. Indeed, the President of the U.S. Chamber of Commerce, Thomas Donahue, was quite explicit in Seattle that “the Chamber and the rest of the world won't let ... [a link between trade, environmental, and labor issues] happen”—even if the U.S. government insisted on it.³⁴

None of this jockeying for position, or vying for the ear of the president, is new or unusual in politics of any sort. In some sense, trade, like all politics, is local (that is national) in its dynamics. Yet there can also be no doubt that the U.S. President had raised the profile of labor rights by investing his own prestige in the issue. Moreover, the formal U.S. proposal in Seattle was far more specific in its concerns and raised fundamental issues central to the current globalization debate. Putting aside the environmental initiative, Clinton was asking the world's leaders to investigate how to improve fundamental human rights and social protections. What is the relationship, the U.S. asked, between trade and the general well-being of society, including the impact of trade and investment on “the scope and structure of basic social protections and safety nets in developed and developing countries?” And should the international community sanction practices—the best-known case being Malaysia—whereby some

³²Helen Cooper, “Corporate, Labor Leaders Both Trumpet Backing for Clinton's Trade-talk Plan,” *Wall Street Journal*, 1 November 1999.

³³Terry Collingsworth, *US Advocacy for Reform of the WTO—Progress or Posturing*, *International Labor Rights Fund Position Paper* (Washington: International Labor Rights Fund, 1999), 3.

³⁴Honblower, “A Batalha em Seattle.”

developing countries specifically ban trade unions in export zones and allow these operations to function with different labor legislation than in the domestic economy? While recognizing that Clinton's words were mostly for show, the spokesman for the left-wing International Longshoremen and Warehousemen's Union (AFL-CIO) observed that "the fact that Clinton is even giving lip service to the idea of core labor standards shows we've moved the debate a long way;" indeed, his members had even carried out a symbolic protest strike in the port of Seattle during the anti-WTO protests.

Moreover, the Clinton administration had raised the labor rights issue in Marrakesh in 1994 only at the last minute, after the negotiations had been concluded, and did so primarily, the cynical might say, as a sop to the labor movement, which had been narrowly defeated in the NAFTA fight. The contrast to the Millennium Round was striking: the issue was placed on the table, at the outset, and with the personal backing of the president of the world's most powerful nation. All parties to the WTO negotiations, especially the developing countries, had little choice but to listen with care while wondering how far the U.S. might go in pursuing the matter. Thus, the countries of the Third World could hardly ignore the U.S. initiative, which, however improbably, nonetheless enhances the importance of the social issue within the international arena, especially in terms of public opinion in the developed capitalist world. As the British *Financial Times* editorialized, the Seattle events "are a sign of alert that public uneasiness with capitalism and the forces of globalization has reached a troublesome level."³⁵

The Trajectory of the "Labor Question" in the Contemporary International Arena

The last decade of the 20th century was decisively shaped by the historic transformations that accompanied the demise of the Soviet Union and its allied states. This world-wide process of accelerated economic, political, and ideological transformation would eventually come to be glossed as "globalization," although there are good grounds to be skeptical as to the accuracy of the label, the novelty of the process, or its alleged inevitability. As market triumphalism swept the globe, critical attention began to focus on the dynamics of the remaining world system, capitalist in nature and anchored in the GATT/WTO. In the words of Lance Compa and Steven Diamond in 1996, "The distinction somewhat comfortably maintained by 'trade hands' who managed the post-World War II international economy—that trade is strictly a commercial function with no immediate connection to social concerns—has evaporated under the pressure of political and social forces generated by the globalization of the economy."³⁶

After a euphoric period in the first half of the 1990s, the heightened linkages—usually negative—between these contemporary developments and ongoing efforts to protect and improve the lives and living standards of working and middle class peoples became clear. Even among political elites and policy makers, the successive crises of the second half of the 1990s led to a growing lack of confidence in the durability and universal beneficence of the favored policies that liberalized world flows of commodities, capital, and trade. This package of "free market" neo-liberal policies also included "structural

³⁵Clóvis Rossi, "Ongs Farão O 'Protesto do Século'," *Folha de São Paulo*, 29 November 1999.

³⁶Lance A. Compa and Stephen F. Diamond, eds., *Human Rights, Labor Rights, and International Trade* (Philadelphia: University of Pennsylvania Press, 1996), 2.

adjustment," severe cuts in government expenditures, and privatization, in addition to deregulation and "flexibilization" of social benefits, environmental protection, and labor rights. Although easily overlooked, nagging misgivings about globalization's benefits and implications would surface, with surprising force, in the large and dramatic street protests that confronted the WTO's Third Ministerial Conference in 1999. For the first time, a meeting of the leaders of international trade was met with a massive and unruly expression of democracy in the streets.

The Seattle protests seized the world's imagination in part because they were so unexpected in a thriving trade-based U.S. city that was the world headquarters of Boeing and Microsoft, giants of the "old" and "new" global economy respectively. There was much that was distinctive in Seattle, including the breadth of those participating, the diversity of their concerns, the creativity of their actions, and the mobilizational tools that helped bring them together, such as the Internet. Yet the issues in the streets reverberated in the suites in Seattle, as government officials debated the inclusion of the labor question in the agenda for the new Millennium Round of international trade negotiations.

As was true throughout the 1990s, the opponents of the social clause were successful in Seattle in preventing even the formal discussion of the labor issue in the WTO (even the symbolic U.S. proposal for a working group was defeated). As was true with the earlier victories of the social clause opponents in the 1990s, there is no reason to believe that such triumphs, achieved in silence among those who administer the world trade system, were in any sense definitive. At each step, these concerns have re-emerged with greater salience in the international media and public policy debate. In 1987, at the outset of the Uruguay Round of GATT negotiations, the issue was disposed of with a simple vote but it drew far more attention during preparations for the Marrakesh summit of 1994 that launched the WTO. Over the next two years, resistance by governments and employers succeeded in short-circuiting debate within the WTO and the ILO but it re-emerged, with a bang, three years later in Seattle.

The intensified criticism of contemporary globalization, from Seattle to Genoa, has given new prominence to what one might call the *social dimension* of the international trade and investment regime. In a context of enhanced tensions, anxieties, and anger, these international protests have spoken to the feeling that the world's peoples have collectively lost control of the world and the markets in which we live. Despite its manifold ambiguities and utopianism, "social clause" advocacy serves a useful and salutary function in focusing attention on how to deal with the *intermestic* ("international" and "domestic") nature of our current predicament. At this point, the national and domestic are inextricably linked to the international or transnational and the pursuit of intermestic solutions is essential given the increasing recognition that exclusively national or nationalist solutions are less viable than in the past, even for the most powerful and rich nations.

The fight to establish a social dimension to the world trading and investment regime can be expected to increase in urgency with the growing gap between world economic growth and the general well-being of the working and middle class people of North and South, East and West. To successfully grapple with this global system demands a broader historical perspective on the dynamics of trade and investment between nations, and the distribution of the gains from such exchange between and within nations. As we move forward, we must carefully survey the whole universe of social clause proposals, the variety of their objectives and motivations, and the divergent roles they have played in the domestic and international politics of trade. We must clarify the

aims of proposed social clauses, the objectives they are designed to achieve, and the mechanisms through which they could or have been established and enforced.

Overall, it is easier today to visualize an institutional architecture for a social clause than at any point in the past. Established WTO principles and procedures could be combined with ILO fact-finding to produce an international worker rights regime that would be universal, positive, and enforceable. These developments, as a Canadian labor lawyer has suggested, have eliminated any valid intellectual or legal obstacles to the effective inclusion of social or environmental concerns under the discipline of the WTO. As Langille notes, the intensification of transnational production has bred a heated competition for investments, and the resulting jobs and taxes, between political entities at both the national and sub-national level. The resulting downward pressure on democratic governance is also clearer today:

... we are at a point where, in effect, labor and other social policies are increasingly, to some extent, being set internationally—that is unavoidable; the question is how will they be set—by what mechanism ... The issue is whether they should be established by the international market-place in labor policy or by international agreement.³⁷

³⁷Brian Alexander Langille, "General Reflection on the Relationship of Trade and Labor (Or: Fair Trade Is Free Trade's Destiny)," in *Fair Trade and Harmonization: Prerequisites for Free Trade. Volume 2: Legal Analysis*, ed. Jagdish Bhagwati and Robert E. Hudec (Cambridge: MIT Press, 1997), 238, 53.