

against the corn laws, which imposed a tax on food grain imports into Britain. Ricardo's theory became a weapon in the hands of the Anti-Corn Law League, which succeeded in having the corn laws repealed and British agriculture 'globalised'. It was a classic redistributive struggle in which the workers and capitalists challenged the power of the landed aristocracy. In the particular English context of the 1840s, consumers were largely the urban workers and their families, so this movement also acquired a class character, which is why Marx supported free trade against protection. (Desai 2002). The Anti-Corn Law League raised money and set up machinery across England and Wales to increase voter registration, which then enabled it to get MPs elected who would vote down the corn laws. Established in 1839, it succeeded within seven years and the corn laws were abolished in 1846. The Anti-Corn Law League represents the first civil society movement on a trade issue, though pro-free trade.

Despite its triumph in Britain, Ricardo's theory had several features which have made it controversial ever since it was first propounded. First, in theory, free trade operates between countries, but the politics of international relations is absent. Thus, many critics point out that when Ricardo wrote about trade between England and Portugal the Methuen Treaty between the two countries had already relegated Portugal to a subordinate status. Also, by specialising in an industrial commodity—cloth—England could reap the advantages of dynamic increasing returns to scale, while Portugal would be confined to a commodity in which there were diminishing returns and few innovations. Of course, in that case cloth would become cheap over time but not wine; thus, the terms of trade—the ratio of the price of wine to that of cloth would move against England and in favour of Portugal. But later, a terms-of-trade pessimism developed among economists, and the Singer-Prebisch thesis held that over time the country producing the agricultural commodity would see its terms of trade decline (Prebisch 1950) This was because the demand for the primary commodity was income-inelastic as well as price-inelastic (that is, the price of primary commodities and the level of

income have little or no impact on the demand for that commodity). Thus, with growing world incomes the demand for primary commodities did not keep pace. Moreover, the markets for primary commodities were competitive; and so, as output increased due to the introduction of new land or better techniques, the price of the primary commodity declined; but this decline in price did not lead to higher demand. Manufactures, on the other hand, it was averred, were produced under oligopolistic conditions and their prices were determined on a cost-plus mark-up basis. Hence, the price of the manufacture would not fall but stay constant or rise while that of the primary commodity would fall. Thus trade would

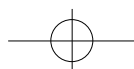
heighten the inequalities between the two rather than narrow them. (The Singer-Prebisch thesis did not go unchallenged. See Spraos 1983 for a response.)

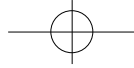
Second, in theory goods move but factors do not. Trade imposes restructuring on the domestic economy—for example, complete as opposed to partial specialisation—but the theory takes no account of the short-run human costs while emphasising the long-run welfare gains. When one industry has to be shut down while another expands, then workers bear the burden of unemployment and the costs of re-

skilling. Politicians are concerned with immediate or short-run losses and not willing to sacrifice their voters for the sake of long-run gains. Thus, tariffs and protection have always had much more political support than free trade. Even in England, the classic free trade country, there was a move against free trade in the early twentieth century after the franchise had been extended.

Free trade in fact operates through the inter-state (so-called international) system. Free markets filter through the power system. The theory of comparative advantage sets out the limits of specialisation on theoretical grounds, but power relations between states define the actual limits. In practice, the international trading system has been an uneasy compromise between mercantilism and free trade. When there has been a hegemon—Great Britain in the nineteenth century and the USA post-1945—championing free trade, then the balance between mercantilism and free trade has edged towards the

Free trade theory was denounced as an English ideological plant to harm continental economies. Friedrich List began the anti-free trade movement by giving it a developmentalist edge





latter. But even here there has always been a gap between the hegemon's rhetoric and the practice. Thus, Great Britain's shipping acts in the nineteenth century stipulated that British exports should be transported exclusively in British ships, and the USA today protects its agriculture and other sectors.

Free trade theory was denounced as an English ideological plant to harm continental economies. Friedrich List (1837/1966) as well as many American economists of the mid-nineteenth century argued that free trade might be suitable for rich and developed England, but Germany and America needed protection. The *Zollverein*, established in 1833, was a customs union comprising Prussia and other German states. It combined free internal trade with tariff barriers against imports, rather like the European Union today. List began the anti-free trade movement by giving it a developmentalist edge.

This also helped to radicalise the anti-colonial struggles in India, where nationalists saw free trade as part of an imperialist strategy to keep India de-industrialised. A distinction was drawn between the interests of domestic capital/state and foreign capital/state, which turned the discourse against free trade. Classical economic theory had contrasted the interest of the civil society (consumer) with that of the state in attacking mercantilism. With List the contrast was between the rich/developed/metropolitan state and the poor/underdeveloped/colonial state. The interests of civil society in the poor/colonial state were to be identified with those of the state.

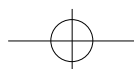
There are problems of trade in manufactured goods where production is determined by the status quo in comparative advantage. Until the middle of the twentieth century, most manufacturing industries were located in OECD countries and exported to developing countries. Developing countries as they started industrialising by import substitution methods encountered the criticism that they were ignoring comparative advantage. Nationalists in developing countries dealt with this criticism in Listian fashion by championing the interests of domestic against foreign capitalists regardless of any harm done to the interests of consumers (Box 4.1).

For many years the General Agreement on Tariffs and Trade (GATT), set up after the Second World War, tolerated this deviation from free trade as long as the offending countries were poor and not exporting their goods to rich country markets. But with the Uruguay Round concluded in 1993 things changed.

Developing countries which had successfully acquired industries that could compete in export markets wanted greater access to rich country markets. Rich countries in their turn were eyeing the newly emerging markets where there were potential consumers of their products. Thus, the context of international trade negotiations began to change and a long series of negotiations resulted in the Marrakech Agreement and the upgrading of GATT to the WTO.

But with freer movement of capital the old comparative advantage is changing. New developments in Internet, transport, and communications technology are making the dispersal and fragmentation of the production process not only possible but profitable, and industries are relocating from North to South. This leads to the charge that capital is footloose and that it is employing/exploiting cheap labour, that American wages are being determined in Beijing, and so on. It is in this context that the WTO is suddenly emerging as the villain of the piece since these developments in global production relocation coincide with the establishment of the WTO. Of course, not all developing countries have experienced successful industrialisation or acquired an ability to export manufactures. Thus, within the old solid South there are divisions between those whose interests lie in greater access to foreign direct investment and OECD markets, and those who are left outside this process. The latter, mostly in Sub-Saharan Africa, are exporters of primary products and suffer from the inequities of agricultural export subsidies in OECD countries, which in turn dump their surplus primary products on the developing countries. These countries have a genuine complaint about the tardiness of the WTO in tackling this distortion in the world trading system. They also receive little foreign direct investment and hence do not benefit from the globalisation of world manufacturing.

Thus, there are several strands to the modern anti-trade movements and some of them are mutually contradictory. There is resentment of developed-country domination in industrial markets but also fear of footloose capital employing cheap foreign labour and hurting rich-country workers. There is concern about the falling prices of primary commodities of the Third World but also support for farm subsidies in rich countries. There is a sentiment against the environmental consequences of global growth led by free trade, which could deny the poor



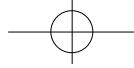


Table 4.1: The new layout

	Globalisation is	Position on globalisation	Position on global trade
<i>Supporters</i>	Capitalism minus the state	Should be defended at all costs. The alternative is fascism	Good even if unequal. The problem is in the inter-state system. Support the WTO
<i>Regressives</i>	Capitalism plus the state	On our terms or de-globalisation	Good if on our terms. Same for WTO
<i>Isolationists</i>	Capitalism minus the state	De-globalisation	Inherently bad. Re-empower the state. Abolish the WTO
<i>Reformers</i>	Capitalism plus transformed state	Should be humanised	Can and must be made more equitable. WTO reform, national and international redistributive policies
<i>Alternatives</i>	Less capitalism and less state	Space for alternatives to compete and coexist	Neutral, the problem is with states and corporations

countries the capacity to export and enrich themselves in exactly the ways that rich countries have done until now. In some cases the interests of the different elements in the anti-capitalist coalition are inconsistent with one another.

Positions on Global Trade

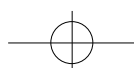
In Desai and Said (2001) we divided civil society responses to global capitalism into Supporters, Reformers, Isolationists, and Alternatives. Both Isolationists and Supporters believe that globalisation and global capitalism are one and the same and that they are reversible. They believe that globalisation entails the gradual erosion of the nation-state and the expansion of the rule of the market into every sphere of life. Isolationists think that globalisation should therefore be resisted and reversed. In its place they promote values of self-sufficiency and self-reliance and seek a return to the national liberation states. Supporters believe that globalisation and global capitalism are the only way to combat poverty and totalitarianism and should therefore be embraced wholeheartedly by all and sundry. Reformers believe that there is more to globalisation than capitalism. The state, according to Reformers, is not eroded but transformed, working under new constraints of 'overlapping sovereignties'. They do not believe that globalisation could or should be reversed; instead,

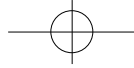
they call for it to be humanised. Alternatives reject the entire conceptual framework and are more concerned with carving out spaces where alternative paradigms can coexist. Over the past three years, due to the resurgence of the new group we call the Regressives (see below) and the weakening of Reformers, many activists are being pushed into Isolationist positions.

Today, in contrast to Seattle in 1999, there is a near (if not always declared) consensus within the movement on an agenda of abolishing the WTO and most other international trade initiatives. In this chapter we use a revised classification of civil society positions on trade to reflect these changes (see also Tables 4.1, 4. 2, and 4.3).

Supporters advocate a strict interpretation of trade theories. This group, comprised mainly of academics and officials at international organisations, believe that even without equity or redistributive mechanisms trade liberalisation will benefit everyone by improving productivity. An example of the supporters' argument is a recent call by Nicholas Stern, the World Bank's chief economist, for developing countries to open their markets, even if this was not reciprocated by the developed countries, since liberalisation benefits the liberaliser (Luce 2002). What's good for business is good for everyone.

Supporters, who also include industrial lobbies, especially those associated with new industries, in





addition to some of the main liberal media such as the *Economist* and the *Wall Street Journal*, are a declining minority today. 'Even the staunchest partisans of free trade suspect it is an idea whose time has not just come but gone' (Caldwell 2003).

The Supporters' ranks have been dwindling due to defections to the *Regressives*, who claim to adhere to the same orthodoxy but make an exception for their, usually rich-country, governments and corporations. According to this group, globalisation can work only under the leadership of hegemonic superpower(s). Since the well-being of the world community is dependent on the well-being of the superpower(s), they should be allowed to break the rules of free trade when those clash with their national interests. What is good for the superpower(s) is good for everyone.

Civil society *Regressives* are exemplified by some of the think tanks and mature industry lobbyists associated with the current US Administration. Some of them are ardent supporters of market liberalisation and free trade. As such, it would be hard for them to openly attack the WTO. Nonetheless they occasionally bemoan the organisation's unwieldy nature, which they attribute to its consensus mechanism and the resulting 'disproportionate' influence of Third World nations (Wolf 2002). Yet it is revealing that most of their strategic advice to the Administration is focused on bilateral treaties and negotiations. In the extreme case, the Heritage Foundation completely ignores the WTO in its trade strategy advice to the administration (O'Driscoll and Fitzgerald 2002).

Indeed, the US Administration's policy towards the WTO is similar to that towards other multilateral initiatives. While Trade Representative Robert Zoellick is pursuing a 'positive agenda' at the organisation, the rest of the Administration and Congress are busy sabotaging it.³ The introduction of 30 per cent steel tariffs in 2001 and the US Farm Bill which substantially increases farm subsidies are recent examples

³ US Trade Representative Robert Zoellick is one of few multilateralists within the current US Administration. He could be described as a Supporter under our framework. As such his positions are often at odds with the general policy thrust of the Administration and the Republican majority in Congress.

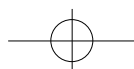
of new trade barriers erected by the Administration. The US recently backtracked on commitments made during the WTO Ministerial Meeting in Doha in 2001 on allowing developing countries to import unlicensed medicines to protect public health. These commitments were critical in obtaining developing country governments' agreement for the launch of a new round of negotiations. Such acts significantly undermine the prospect for the new round. In recent years the EU has won five cases against the US at the WTO. The US is, however, refusing to implement the WTO judgments, thus further undermining the system (Lamy 2003). On the other side of the Atlantic,

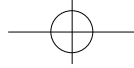
France and Germany are engaged in similar tactics of pushing for WTO expansion while stonewalling on the Common Agricultural Policy (CAP). CAP subsidies amount to \$50 billion annually. If they are left unchanged until 2016, as suggested by a recent Franco-German agreement, they will further undermine the prospect of success at the current Doha Round of trade negotiations. Regressive politics (on both sides of the Atlantic) have more to do with industrial lobbying than with demands by farming communities and labour to which they are sometimes attributed.

The implicit double standard of this approach and the fact that its proponents are now in power not only in the US but also in many European countries is behind the radicalisation of activists on the other side of the trade debate. Even reformers are beginning to embrace *Isolationist* positions. The critical plank of the *Isolationists* argument is that it is almost impossible to make global trade work for the poor. They view trade as a Trojan Horse through which multinationals and their political representatives spread their power. The results are a loss of jobs in the North, poverty and loss of sovereignty in the South, and environmental degradation all round. What is good for the corporation is bad for everyone.

Once upon a time, empires were built through direct conquest. Armies plundered their way across continents, claiming lands and resources for king and country, justifying their acts as 'bringing the light of civilisation to the savages of dark

The critical plank of the *Isolationists'* argument is that it is almost impossible to make global trade work for the poor. They view trade as a Trojan Horse through which multinationals spread their power





continents'. These days such invasion has lost its primary appeal, but the equivalent gains are routinely achieved through different, and more efficient, means, which those in power prefer to call not open theft but 'open markets'. (Mittal 2003)

Many Isolationist groups are united in the Our World is Not For Sale (OWINFS) network, which brings together such groups as Public Citizen, Focus on the Global South, Friends Of the Earth (FOE) International, and Food First. Isolationists call explicitly or implicitly for the abolition of the WTO and other international trade initiatives. As Lori Wallach of Public Citizen explained at the WSF, the goal is to 'Derail the WTO'. Ronnie Hall, Trade Program Manager at FOE, says that it is her 'personal' opinion (though not that of the organisation) that the WTO should be abolished. Kevin Danaher of Global Exchange calls himself an abolitionist (WSF 2003). Aye Aye Win of Dignity International was critical of this approach, describing the mood at the WSF in these terms:

If you want a big cheer from the crowd, it's clear what the speakers should do: smash neo-liberalism to pieces, condemn foreign debt, demonize the enemy, the TNCs, the IFIs, and to round it off call for their abolition. A deafening applause is guaranteed. That's exactly what we are witnessing at the big conferences and seminars here. (Win 2003)

The Isolationists promote two alternatives to the current trade regime: the re-empowerment of the nation-state and the development of an alternative global regime from the bottom up. The alternative regime they call for, however, is defined in quite broad terms for the time being. Examples include *Another World is Possible: Popular Alternatives to Globalization at the World Social Forum* (Fisher and Ponniah 2003) or the new International Forum on Globalization report *Alternatives to Economic Globalization: A Better World is Possible* (IFG 2002). Following is an excerpt from the editors' synopsis of the report:

The Reformers are now squeezed between superpowers that would rather see no rules than inhibit their freedom of action and activists who seem to have given up on the reform/institution-building agenda

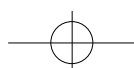
Written by a premier group of thinkers from around the world, Alternatives to Economic Globalization is the defining document of the antiglobalization movement. The culmination of a three-year project by the International Forum on Globalization, whose members include Ralph Nader, David Korten, John Cavanagh, Lori Wallach, and Jerry Mander, it presents both a sober critique of globalization as well as practical, thoughtful alternatives. The authors assert ten core requirements for democratic societies, including equality, basic human rights, local decision making, and ecological sustainability, and demonstrate how globalization undermines each. Offering specific strategies for reining in corporate domination, they address alternative systems for energy, agriculture, transportation, and manufacturing; ideas for weakening or dismantling the WTO, World Bank, and IMF; and rebuilding economies that are responsive to human needs.

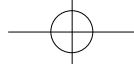
The main themes of these proposals are state control over food, water and public services, localisation and subsidiarity, re-regulation and 'weakening or dismantling' of multi-lateral economic institutions, and establishment of new structures which put people before profits.

The Reformers, once the broadest camp, embracing not only activists but also many mainstream politicians and representatives of new industries, are in the retreat, squeezed between

superpowers that would rather see no rules than any which may inhibit their freedom of action and activists who also seem to have given up on the reform/institution-building agenda at the global level. The main claim of the Reformers is that international trade can, as the theory predicts, bring broad benefits to everyone provided mechanisms and rules are put in place at regional, national, and international levels to ensure optimal and equitable outcomes. Conversely the lack of such rules would not only entail deepening inequality but also may threaten globalisation as such.

The main reformist groups are represented in the Trade Justice Movement (TJM), a coalition which involves groups like Oxfam International, Action Aid, The World Development Movement (WDM), War on Want, and others. Box 4.2 illustrates the debate between reformers and isolationists.





Box 4.2: The 'Rigged Rules and Double Standards' debate

When Oxfam decided to discontinue its Fair Trade business on pro bono advice from management consultants McKenzie and Co., it replaced it by a two-pronged strategy. On the one hand it continued to provide technical assistance to small developing-country exporters in accessing Northern markets. On the other it started an ambitious advocacy campaign on trade issues. The campaign is based at the MakeTradeFair.com web site. It includes education, advocacy, and lobbying. The campaign's flagship document, Oxfam's first major foray into the area of trade advocacy, met a maelstrom of criticism from the Isolationist camp.

The debate, which centred around Oxfam's 'Rigged Rules and Double Standards' report (Oxfam 2002a) began at the Second World Social Forum in Porto Alegre in 2002 between Oxfam on the one hand and a number of groups and individuals including Colin Hines, Focus on the Global South, and Food First on the other. It highlights the differences between the Reformers and the Isolationists. The debate was quite animated and continued in the media and online long after the publication of Oxfam's report. By the time of the Third Forum, however, there was no debate at all, since the great majority of participants including many Oxfam people sided with the Isolationists on most points (WSF 2003).

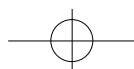
The Oxfam report, which exemplifies Reformist thinking on the issue of trade, is centred around the proposition that international trade can be beneficial to the poor. Indeed, it argues that trade, as in the example of East Asia, has already lifted as many as 400 million people out of poverty. The problem, however, is that international trade rules today are 'rigged' for the benefit of rich countries and their corporations. Moreover, rich-country governments preach free trade to the developing countries but do not practise it themselves. Finally, even when developing countries are benefiting from trade, the benefits are skewed towards large suppliers and intermediaries at the expense of the poor as a result of inadequate policies pursued by these countries' governments and the multilateral organisations. The report proposes access for poor-country products into rich-country markets: agriculture and textiles in particular should be a

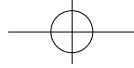
major thrust of the campaign for a fairer international trade regime. The report does not promote market access as a panacea and stresses that it should be coupled with domestic policies to ensure an efficient and equitable distribution of the gains from trade. Oxfam also believes that focusing on market access is a useful strategy aimed at exposing the hypocrisy of developed-country leaders who do not practise what they preach.

International trade can work for the poor or against the poor. Just as in any national economy, economic integration in the global economy can be a source of shared prosperity and poverty reduction, or a source of increasing inequality and exclusion. Managed well, the international trading system can lift millions out of poverty. Managed badly, it will leave whole economies even more marginalized. (Hobbes 2002)

Opponents of the report attack it on several fronts. First, they argue that market access, far from providing benefits to the poor in the South, aggravates commodity export dependency. According to this argument, underdeveloped countries get locked into a pattern of exporting low value added products to rich countries and importing expensive manufactured goods and services. Growing efficiency and productivity means that the relative value of poor-country exports is constantly declining, thus condemning these countries to immiserisation in the long term no matter how much they succeed in expanding their exports (Prebisch 1950). Variations of this theory cover agricultural and natural commodity exports as well as exports of labour-intensive products, a phenomenon known as the fallacy of composition (UNDP 2003).

Second, opponents of the report believe that by negotiating for market access Third World governments will be forced to make concessions in other areas. Finally, they argue that focusing on market access is a dangerous diversion from the efforts which should focus on derailing the WTO.





Box 4.3: The fair trade movement

In the aftermath of the Second World War some church organisations marketed handicrafts made by refugees as a way of helping them gain economic independence. Many fair trade groups trace the beginnings of the movement to that period. Alternative Trade Organisations (ATO) spread in the 1960s to market handicrafts and agricultural commodities purchased in the Third World at 'fair' prices.

The ATOs' main argument is that many poor country producers and especially small farmers and cooperatives are not getting a fair price for their products due to the difficulties they face in gaining access to rich-country markets and to finance. The big difference between the retail price in the developed world and the income that these producers receive for the fruits of their labour is, ATOs argue, unfairly appropriated by various intermediaries in both rich and poor countries.

ATOs set out to correct this imbalance by direct trading: purchasing products at higher prices and selling them in rich-country markets, thus circumventing the traditional distribution channels. Many of these organisations combine direct trading with the provision of technical assistance to their suppliers in everything from management to production techniques and market access. They also campaign on all matters related to fair trade. As such ATOs are a unique hybrid of for-profit organisations and NGOs.

Oxfam was a pioneer of fair trade in the UK in the 1960s. In the US the first ATOs included 10,000 villages

and Equal Exchange. Many ATOs are based in Third World countries working to protect the rights of disadvantaged producers.

With the growth of the fair trade movement and increased awareness of the issues involved, especially among rich-country consumers in the 1980s and 1990s, many of the twentieth century fair trade groups began to coordinate efforts across borders and work towards establishing common and certifiable fair trade standards. In 1989 the International Federation of Alternative Trade (IFAT) was established, which claims to represent 160 groups in 50 countries of which two-thirds are based in the Third World. The various local groups also coalesced into national organisations which in turn established the International Fairtrade Labeling Organization (IFLO) in 1997 (IFLO URL).

The IFLO is an umbrella organisation which issues the 'Fairtrade' label to qualifying products based on a set of standards applied to both producers and traders. Compliance is monitored by a network of inspectors and an auditing process. There are different sets of requirements for traders and producers. Traders must:

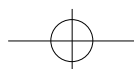
- *pay a price to producers that covers the costs of sustainable production and living;*
- *pay a premium that producers can invest in development;*
- *partially pay in advance when producers ask for it;*
- *sign contracts that allow for long-term planning and sustainable production practices. (IFLO URL)*

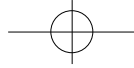
There is some overlap between the Isolationists and Reformers; they are united in their opposition to the expansion of the WTO into the new areas such as investment. However, even here Reformers see an opportunity to address outstanding issues at the WTO and other global forums while Isolationists view it as part of a strategy to derail the WTO and return power to the nation state.

For the movement against corporate-driven globalization, derailing the 5th Ministerial or preventing agreement on the launching of a new

comprehensive round would mean not only fighting the WTO and free trade to a standstill. It would mean creating momentum for a rollback of free trade and a reduction of the power of the WTO. This is well understood by, among others, the Economist, which warned its corporate readers 'globalization is reversible'. (Bello 2002)

Another plank of the Reformist framework is the incorporation of labour and environmental standards in the trade regime:





For producers, the requirements are different for smallholders and cooperatives and for organisations dependent on hired labour. There are minimum progress requirements and specific standards for the various products. The requirements cover social, economic, organisational, labour, and environmental issues.

Most products covered by IFLO are food commodities such as coffee, sugar, and cocoa; but the organisation is beginning to address manufactured products starting with footballs. The member organisations cover a much wider selection of products.

Coffee is one of the main fair trade commodities and shows both the success and limitations of the movement. Despite rapid growth since 1973, when the first batch of fair trade coffee was imported into the

Netherlands, it accounts for only 2 per cent of the total coffee market (Oxfam 2002b). Even some of its most avid proponents admit that fair trade coffee can be targeted only at the top end of the market. Moreover, by paying a premium price the fair traders may be sending the wrong signal to a market which is already suffering from excess supply. On the other hand, fair trade buyers are lending a helping hand to some of the most disadvantaged communities in the world in a context where little effort is being made by national governments or multilateral organisations to address the issue of over-supply and the need to shift to other crops. Finally, the example of the fair trade movement is creating an incentive for large coffee buyers to address the issues at hand.

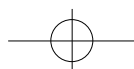


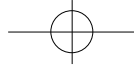
The key issue we are addressing here is the worker's human rights, which are clearly defined, such as the right to organize and bargain, and freedom and protection from forced labor, child labor and discrimination . . . The problem we have had with the WTO in recent years, is that they are saying 'these issues have nothing to do with us', that workers' rights are not trade issues. (Seneviratne 2003)

Such demands are not only difficult to pursue at the WTO, but some Southern activists view them either as a way to legitimise the WTO or as another

attempt to discriminate against Southern producers. Moreover, the radicalisation of the movement means that, instead of the painstaking work needed to bridge such differences, compromise is being achieved on the basis of the lowest common denominator of deglobalisation.

The polarisation of the debate and the retreat to comfortable old dogmas means that less space is available for the *Alternatives*. The Alternatives are the foot soldiers of the global justice and solidarity movement. Young and with a keen eye for popular culture and new technology they speak globalisation's





language. In the tradition of the 1960s radicals, the Alternatives have a deep distrust of authority, be it political or economic. They are not likely to be found in traditional organisations and NGOs. At the WSF they did not even have the particular passes necessary to attend most of the 1,400 workshops. The Alternatives not only account for the bulk of the participants at riots, demonstrations, and social forums but they are also responsible for the most creative ideas at these events: guerrilla gardening (digging up tarmac to plant trees), Marcus's mask (hiding one's face to identify with the faceless victims of global capitalism), white overalls (heavily padded protesters who can withstand police truncheons), critical mass (cyclists who obstruct automobile traffic by riding in large numbers), the pink march (which succeeded in penetrating the heavily fortified World Bank/IMF meeting venue in Prague by looking unthreatening) and the controversial black block (anarchists who do not shy away from using stones and occasionally fire-bombs to attack riot police).

The Alternatives are also the driving force behind 'submerged networks' which surface around certain campaigns, such as SalAMI, which organised the riots against the Summit of the Americas in Quebec in 2001. SalAMI is a direct action network. Its first activities coincided with the Multilateral Agreement on Investments. It is also known for its non-violent blockade of the Montreal Conference on Economic Globalisation in May 1998.

Other submerged networks exercise resistance through the promotion of a particular lifestyle such as the Fair Trade movement (Box 4.3). The network in this case comprises of consumers who choose to pay premium prices for fair trade products (or boycott those viewed to be in violation of ethical trade norms) in addition to those who are involved in organising Fair Trade schemes.

Instead of aiming to transform or reform global capitalism, the Alternatives are concerned with reclaiming 'things' from the encroaching market and creating space for alternatives. They are concerned with the political and cultural consequences of capitalism as much as with its economic and environmental costs. They perceive the encroachment of the market into the public space as a threat to freedom, which takes the

form of 'corporate censorship' in the North and human rights abuses in the South (Desai and Said 2001).

Alternatives do not represent a distinct set of positions on the issues of trade. They could thus be viewed, as pointed out in Chapter 1, as a particular form of global civil society, rather than a particular take on globalisation. That said, in a debate where one is expected to take sides between Western governments and corporations on the one hand and Third

World leaders and industries on the other, the Alternatives have no favourite. This may explain why some of them felt so uncomfortable with certain aspects of the World Social Forum in Porto Alegre.

For some, the hijacking of the World Social Forum by political parties and powerful men is proof that the movements against corporate globalization are finally maturing and 'getting serious'. But is it really so mature, amidst the graveyard of failed left political projects, to believe that change will come by casting your

ballot for the latest charismatic leader, then crossing your fingers and hoping for the best? Get serious. (Klein 2003)

In the following sections we address issues which illustrate the civil society position on trade described above.

The World Trade Organization (WTO)

The WTO is at the heart of most civil society campaigns on trade issues. Established in 1995, it is one of the youngest multilateral organisations. It is simultaneously one of the smallest in terms of staff and bureaucracy yet one of the most influential in terms of impact on peoples' lives worldwide.

For its staunchest opponents, the WTO embodies everything that is wrong with global capitalism and superpower hegemony: a one-size-fits-all tool aimed at prising open Third World markets for the benefit of rich-country-based corporations. One of the organisation's most loathed features is the finality of its mandate: once a market is open it can not be closed again.

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