

One thing is clear from the history of trade: protectionism makes you rich

However much Peter Mandelson bullies them, poor countries know his equation of fair trade and free trade is nonsense



George Monbiot
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It is not often that a bureaucrat makes a major scientific discovery. So hats off to Peter Power. The European commission's spokesperson for trade, writing to the Guardian last week, has invented a new ecological concept: excess fish. Seeking to justify policies that would ensure that European trawlers are allowed to keep fishing in west African waters, Mr Power claims that they will be removing only the region's "excess stocks". Well, someone has to do it. Were it not for our brave trawlermen battling nature's delinquent productivity, the seas would become choked with these disgusting scaly creatures.

Power was responding to the column I wrote a fortnight ago, which showed how fish stocks have collapsed and the people of Senegal have gone hungry as a result of plunder by other nations. The economic partnership agreement the commission wants Senegal to sign would make it much harder for that country to keep our boats out of its waters. Power maintains that "the question of access to Senegalese waters by EU fleets ... is not part of these trade negotiations".

This is a splendid example of strategic stupidity. No one is claiming that there is a specific fish agreement for Senegal. But the commission's demand that European companies have the right to establish themselves freely on African soil and to receive "national treatment" would ensure that Senegal is not allowed to discriminate between its own businesses and foreign firms. It would then be unable to exclude European boats. Is this really too much for a well-paid bureaucrat to grasp?

After that column was published, several people wrote to suggest that the problem is worse than I thought. Senegal's fish crisis is part of a bitterly ironic story. As Felicity Lawrence shows in her book *Eat Your Heart Out*, the people of Senegal have become dependent on fishing partly because of the collapse of farming. In 1994, Senegal was forced to remove its trade taxes. This allowed the EU to dump subsidised tomatoes and chicken on its markets, putting its farmers out of business. They moved into fishing at about the same time as the European super-trawlers arrived, and were wiped out again. So fishing boats were instead deployed to carry economic migrants out of Senegal. Lawrence discovered that those who survive the voyage to Europe are being employed in near-slavery by ... the subsidised tomato industry.

But this is just one aspect of a scandal that has been missed by almost every journalist in the UK. While we have been fretting about house prices and the Big Brother final, the European trade commissioner, Peter Mandelson, has been seeking to impose new trade agreements on 76 of the world's poorest countries: the African, Caribbean and Pacific (ACP) nations. Posing as "instruments for development", the economic partnership agreements threaten to beggar them.

The people of these countries know that trade is essential to pull them out of poverty. But they also see that unless it is conducted fairly, it impoverishes them more. Many are aware that the European equation of fair trade with free trade is nonsense.

Neoliberal economists claim rich countries got that way by removing their barriers to trade. Nothing could be further from the truth. As Ha-Joon Chang shows in his book *Kicking Away the Ladder*, Britain discovered its enthusiasm for free trade only after it had achieved economic dominance. The industrial revolution was built on protectionism: in 1699, for example, we banned the import of Irish woollens; in 1700 we banned cotton cloth from India. To protect our infant industries, we imposed ferocious tariffs (trade taxes) on almost all manufactured goods.

By 1816 the US had imposed a 35% tax on most imported manufactures, which rose to 50% in 1832. Between 1864 and 1913 it was the most heavily protected nation on earth, and the fastest-growing. It wasn't until after the second world war, when it had already become top dog, that it dropped most of its tariffs. The same strategy was followed by Japan, South Korea, Taiwan and almost every other country that is rich today. Within the ACP nations, the great success story of the past 30 years is the country whose protectionism has been fiercest: during the 1980s and 1990s, Mauritius imposed import tariffs of up to 80%. Protectionism, which can be easily exploited by corrupt elites, does not always deliver wealth; but development is much harder without it.

Mandelson's attempt to deprive the poor nations of these strategies is just one of the injustices he is trying to impose. While he wants the ACP countries to eliminate tariffs on the import of almost all goods, Europe will sustain its farm subsidies. In combination, these policies could put millions out of work.

As Oxfam shows, he's also negotiating to let European corporations muscle out local firms and make privatisation legally irreversible, threatening people's access to health, education, water and banking. The ACP countries would be forbidden to impose tough capital controls in a financial crisis: the need for European companies to get their money out takes precedence over the economic survival of the poor. He wants them to adopt a plant-breeding treaty that bans farmers from saving their own seeds.

Mandelson tried to force all this through by last December, warning the ACP countries that if they didn't sign up by then, world trade rules would ensure that they lost their preferential trading status with Europe. The UN trade adviser Dr Dan Gay tells me that people in the talks between the European commission, Fiji and Papua New Guinea claim that "Mandelson shouted 'neocolonial style' at ministers, suggesting that they were so incompetent that they had to rely on foreign advisers". Mandelson's office says he "did express the wish to negotiate with ministers present, rather than their advisers. However, he did not shout 'neocolonial style' at anyone."

Either way, there is no question that the ACP countries have been bullied. In December their trade ministers published a joint statement deploring "the enormous pressure that has been brought to bear on the ACP states by the European commission". Over half of them refused to sign anything; the rest initialled draft agreements. Mandelson is still twisting arms, trying to force the treaties through as quickly as possible. Last week the Caribbean heads of state were due to commit themselves, but pulled back at the last minute; they hold a meeting tomorrow to decide what to do next. I hope they have the balls to tear the whole thing up and start again.

If the aim of these negotiations had been to enrich European companies at the expense of the poor, Peter Mandelson has done well. If, as the commission claims, the partnership agreements are "primarily conceived as an instrument for development", his interventions have been disastrous. He appears to have pursued these talks in the style of a 21st-century viceroys: no humanitarian concern is allowed to obstruct commercial interests.

In the short term, and within a limited frame of reference, the commission's tactics might enhance our self-interest. But we are better than this. If the people of Europe knew what was being done in their name, I doubt that one in 10 would support it.

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