

# Hong Kong Report #1: Deciphering the Language of Globalization

By Laura Carlsen | December 16, 2005



The Hong Kong meeting of the WTO has amply illustrated how difficult it is to arrive at a consensus about the rules of free trade. The fact that none of the major players has been willing to budge—to offer what in negotiating parlance is known as “deliverables”—is just one of the problems.

What’s increasingly apparent, though, is that the WTO, and indeed the entire concept of free trade globalization, has a communication problem. Most of the texts being negotiated are unintelligible to the untrained ear, which is to say to any normal person.

The specialized glossary of the WTO swells on a daily basis. That may be fine for the government negotiators who view the acronyms and catch-phrases as shorthand for insider information. For citizen groups, though, it should be a cause for concern.

To make the trade debate relevant and open, it must be understandable. But gaining understanding is not just a matter of close observation or study or even interpretation; the language of globalization must first be deciphered and demystified.

For over a decade, trade liberalization has been presented as the path to development and the goal of all civilized nations. Its terminology became the accepted language of economics and its concepts formed the backbone for restructuring entire societies.

Today, that consensus has broken down in both developed and developing countries. But the terms stubbornly persist, and thereby constitute an obstacle to devising new workable models of international trade rules and laying out viable alternatives to the arcane, dysfunctional free trade system.

One obvious example is the increased discussion of supply-management mechanisms.

The downward spiral of agricultural commodity prices under globalization has ruined the lives of millions of small-scale farmers. Not surprisingly given the magnitude of the human tragedy associated with this

tendency, proposals to regulate supply to assure that prices will not fall below production prices are reemerging as viable alternatives.

But instead of casting this concept in positive terms, management of commodity price and supply is described at the WTO as “generating distortions in the right direction.” The language signals a certain embarrassment at using the term “supply management”—long considered anathema to the free trade system—but also to the suggestion itself. It slips into the debate as a necessary evil, a pragmatic impurity in a theoretically pure system.

Everyone knows this is not the case. The “free trade” system is manifestly hypocritical, inconsistent, and ineffective. The WTO talks in Hong Kong vividly highlight these contradictions.

Developed countries protect sensitive sectors, but developing countries get market access crammed down their throats. The language of globalization includes the world’s most expensive tautology: Producer prices are driven down by government subsidies to farmers to compensate for international prices that are below production costs.

The ideological imperatives of free trade are too often like the moral prescriptions of errant religious leaders—do as I say, not as I do.

In this context, the supply management mechanisms, safeguards, and special treatment demanded by developing countries should be interpreted as compensation for the distortions that underlie the misnomer of free trade. But instead they are regarded as charity by wealthy countries.



---

Here's another linguistic device used by free trade promoters in the WTO and other free trade negotiations. They assert that developing countries have only two options—either meet the challenge of adapting to trade liberalization or retreat into the dark past of protectionism.

This is a false dichotomy. Again as evidenced in the debates taking place in Hong Kong, the real dichotomy is between development and the unequal model of free trade as defined by the wealthy countries.

A healthy development mix would include: a mix of protection for essential economic sectors and rational liberalization; government technical assistance and infrastructure support for national production and fomenting markets; and fostering local and regional markets—all under a transparent and democratic multilateral rules-based system.

The discussion on how to create this kind of system is young yet. For it to grow, trade language must open up to embrace what were once considered heresies and find new terms to criticize previous canons.

As is becoming clear in the latest WTO ministerials, unless all involved parties—the industrialized powers, the mid-level nations such as India and Brazil, the poor developing nations, and NGO advocates—start using new language outside the discredited rhetoric of free trade, then there will be no international cooperation, no common rules, and no global sustainable development.

What's also clear is that, whether the dominant economic powers like it or not, the debate is broadening. What's needed is the political will for real options to emerge to the failed language of free trade and failed model of development pushed forward by a now-debilitated WTO.

---

*Laura Carlsen, reporting from Hong Kong, directs the Americas Program of the International Relations Center, online at [www.irc-online.org](http://www.irc-online.org).*

## FOR MORE INFORMATION:

The Price of Going to Market

<http://americas.irc-online.org/am/654>

Talking Points: The Price of Market Access

<http://americas.irc-online.org/aptp/2911>

Talking Points: CAFTA and AFTA

<http://americas.irc-online.org/aptp/2886>

Talking Points: Lessons in Latin America

<http://americas.irc-online.org/aptp/2915>

What's at Play at the WTO

<http://americas.irc-online.org/am/2981>

Playing the WTO Game

<http://americas.irc-online.org/am/2982>

Viability and Credibility of World Trade Organization at Risk

<http://americas.irc-online.org/wto/2003/0309statement.html>

Published by the Americas Program of the International Relations Center (IRC, online at [www.irc-online.org](http://www.irc-online.org)). ©2005. All rights reserved.

## The Americas Program

"A New World of Citizen Action, Analysis, and Policy Options"

Founded in 1979, the IRC is a nonprofit policy studies center whose overarching goal is to help forge a new global affairs agenda for the U.S. government and people—one that makes the United States a more responsible global leader and partner. For more information, visit [americas.irc-online.org](http://americas.irc-online.org) or email [americas@irc-online.org](mailto:americas@irc-online.org).

### Recommended citation:

Laura Carlsen, "Deciphering the Language of Globalization," (Silver City, NM: International Relations Center, December 16, 2005).

### Web location:

<http://americas.irc-online.org/am/articlenumber>

### Production Information:

Writer: Laura Carlsen

Editor: Tom Barry

Production: Chellee Chase-Saiz