
Stemming the Tide: Third World Network and Global Governance

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Background

Third World Network (TWN) began life as an offshoot of the Consumers' Association of Penang (CAP) in Malaysia. Formed in the late 1960s by S. M. Mohamed Idris, an Indian-born politician turned social activist, CAP had always interpreted consumerism in the broadest sense, and during the 1970s it grew to be one of the most prominent critics of poor governance, both domestic and global, in the country. In 1984, CAP organized an international conference of NGOs from developing countries to address common problems of development and environmentalism. TWN was formed at the conclusion of the conference, as a network organization to maintain and expand ties between NGOs in developing countries. Initially, it operated as a department of CAP, although by the late 1980s it had developed into more of an independent organization in its own right. TWN and CAP remain closely linked, however, along with a third NGO, *Sahabat Alam Malaysia* (SAM—Friends of the Earth Malaysia), also with Idris at the helm. The three organizations share facilities such as office space and, to a certain extent, funding and members of staff.

The move towards greater independence for TWN was accompanied by a concomitant shift in the leadership of the organization from Idris to Martin Khor Kok Peng. Khor, a Cambridge-educated economist and former university lecturer, has established a reputation for himself and TWN among the foremost critics of global governance, in particular the international trading system. Other key contributors are Chakravarthi Raghavan, a former editor-in-chief of the Press Trust of India, and Bhagirath Lal Das, a former senior trade diplomat for the Indian government. Between them, these three constitute the bulk of TWN's intellectual output.

Since its relatively humble beginning as a department of CAP, TWN has expanded enormously; its lead office now has a staff of around 25, and it has other offices or representatives in six countries over four continents, in Asia, Europe, Africa, and South America. Its international headquarters remain in Penang, Malaysia. It retains a somewhat loose network structure, however, and many of its activities are carried out by its affiliated organizations rather than its own offices. The Geneva-based *South-*

North Development Monitor (*SUNS*), for instance, is published by TWN in association with the Inter Press Service, but its editor and chief contributor, Chakravarthi Raghavan, does not work directly for TWN. Set up by Raghavan in 1980, the *SUNS* (then called the *Special United Nations Service*) in fact predates the formation of TWN, which took over its publication only in 1990.¹ Similarly, the TWN Goa office is actually the Other India Bookstore, a bookshop-cum-NGO run by the popular intellectual Claude Alvarez.

TWN has a broad base of income, including subscription fees paid by affiliated NGOs and revenue from the sale of its publications. Apparently, it is also the recipient of sizeable grants from charitable foundations; research by the Institute of Public Affairs (IPA), a long-established neo-liberal Australian think-tank, shows that TWN received more than \$US1 million from charitable foundations in the USA in the period 1998 to 2001. Over half this money came from the Foundation for Deep Ecology, one of the largest funders of anti-genetic engineering campaigning in the world, and on whose 'shadow management board' Martin Khor himself sits. The IPA further accuses TWN and its sister organizations of having tried to 'hide' this source of income, despite their own focus on transparency and accountability in public institutions.² All three organizations have rejected the accusation of untransparent standards, stating that they complied fully with the financial disclosure requirements of the Malaysian government and its Registrar of Societies, and dismissing the report as politically motivated—the issue of foreign funding has often been used by the Malaysian government as a way of discrediting irksome NGOs, including CAP and SAM, by portraying them as being in the pocket of foreigners.

The TWN Agenda

TWN has a prodigious publications output. Besides a regular stream of books (many of which are co-published with the London-based Zed Books) and papers, it produces two main magazines: the monthly *Third World Resurgence* and the fortnightly *Third World Economics*. In addition, its

Geneva office produces the *SUNS*, a daily news bulletin of trade-related development. The African and South American branches also produce their own magazines, comprising some features from *Third World Resurgence* and some of their own. This apparent wealth of output belies a certain degree of intellectual recycling, however. *Third World Economics* is primarily a compilation of *SUNS* bulletins, which also form a substantial contribution to *Third World Resurgence*. TWN's papers and occasional publications are also heavily recycled. Despite its creditably scholarly attitude towards sourcing and referencing, TWN's publications are more often than not full of references to its own previous publications; to give an example, one TWN series paper on the WTO dispute settlement system has 54 references in its bibliography, 50 of which are TWN publications, many of these by the author of the paper itself.³ In some cases, whole chunks of text reappear in separate papers and publications.

In addition to its publications, TWN has established strong links with many governments in developing countries. One of its key activities over the years has been the convening of symposiums and forums preceding major trade conferences to brief the representatives of developing countries on the issues and arguments likely to arise at the meetings. Many of these countries lack the funding and human resources to staff a permanent mission in Geneva, and TWN, along with other civil society groups, thus fulfils an important role by keeping them informed of developments. Building on these links, TWN has been consulted by a number of national governments in Africa and elsewhere (including Malaysia) in the formation of policies and laws, in particular relating to biosafety, diversity, and genetic resources. TWN had previously been instrumental in the commissioning of an international expert group to examine the safety of genetic engineering, contributing to UN negotiations towards a Convention on Biological Diversity.⁴

Although it deals with a wide range of development issues, from human rights to genetic diversity, the main force of TWN's activities is campaigning for a change in the system of global governance, and the international trading system in particular. Since its 1990 publication of Chakravarthi Raghavan's groundbreaking book *Recolonization*, the focus of TWN's attention has been the General Agreements on Tariffs and Trade (GATT) and, following its inception in 1995, the World Trade Organization (WTO).⁵ TWN's critique is essentially based on the view that the rules governing international trade should be altered to promote trade as a means to fair and sustainable development, rather than as an end in itself. At the heart of its critique is the claim that the international trade architecture is biased towards promoting the interests of the developed countries, and the transnational corpora-

tions (TNCs) that they host, at the expense of the developing countries (the 'North' versus the 'South', to use TWN's preferred terminology). Indeed, it has argued that the rhetoric of 'free trade' itself is simply a smokescreen for promoting developed countries' interests.⁶ This bias manifests itself both in the process of trade and development negotiations and in the content of these negotiations.

TWN argues that the current system of global governance undermines the sovereignty of developing countries. According to TWN, the capacity of individual country governments to set trade and development policies is encroached on by the dictates and requirements of the trade system and its institutions. The increasingly wide range of non-trade issues dealt with by GATT and the WTO—the 'new issues' introduced in the Uruguay round and the 'Singapore issues' introduced for the Doha Ministerial Meeting—are seen as 'trimming the nation state'.⁷ Of particular concern to TWN has been the introduction of Trade-Related Intellectual Property Rights (TRIPs) into the WTO, which ultimately set the scene for the aggressive courts battle in South Africa over the import of generic AIDS drugs. Worse still in this respect are the International Monetary Fund (IMF) and the World Bank which, through the 'conditionalities' imposed on their loans, effectively prescribe government policy, or even constitutional changes, for debtor countries.⁸ The prescriptive 'one-size-fits-all' approach of such bodies is seen as inappropriate for developing countries with differing resources and human settings.

In addition, TWN claims that the lack of democracy and transparency inherent in the negotiating processes of international bodies allows developed countries to dominate proceedings and to ensure their own agenda is implemented at the expense of the developing countries. Indicative of this shortcoming are the secretive and collusive 'green room' negotiations in the WTO where a small number of developing countries are invited to closed meetings, where they are, in TWN's words, 'coerced and stampeded' into accepting proposals which are then presented as consensual.⁹ Similarly, the WTO dispute-settlement process is accused of favouring the developed countries, and the USA in particular; even when US trade laws were found to be in direct contravention of WTO requirements, the body simply accepted an assurance from the USA that it would not use the laws in a manner that contravened the WTO, and stopped short of recommending any remedial action.¹⁰

In general, TWN favours the UN and its agencies as the most democratic institution of global governance currently available, although at the 2002 World Summit on Sustainable Development in Johannesburg it bemoaned the adoption of WTO-style processes, which had 'crossed over to the usually open and participatory UN system'.¹¹ None-

theless, the UN, and UNCTAD (UN Conference on Trade and Development) in particular, is seen by TWN as a potential counterbalance to the undemocratic Bretton Woods institutions; it has applauded the UNCTAD 'Plan of Action' adopted at its tenth session in 2000, which address the imbalances of the current trading system,¹² and has thus suggested that many of the issues dealt with by the WTO could be reassigned to a 'revitalized' UNCTAD.¹³ TWN is also considerably involved with the UN Development Programme (UNDP) and is one of the nine partner organizations in its Civil Society Organizations and Participation Programme.

Evaluation

TWN's critique is creditable in that it goes beyond the emotive issues that have arisen as a result of these problems. For instance, instead of harping on the issue of AIDS drugs, which generated a lot of public sympathy in developed countries, it has produced detailed critiques of TRIPS agreements and their implications for the South.¹⁴ The most important omission from TWN's critique of global governance, however, is any substantive agenda for change. While it regularly calls for reform of the international development architecture, proposals made are more often than not vague or open-ended. Moreover, any concrete plan for *how* these changes are to be achieved is entirely absent. In one of its most comprehensive position papers, written for the UNDP, barely five out of more than 100 pages are devoted to reforming the system, and these proposals are disturbingly nebulous and generalized; calling for the 'rethinking [of] trade liberalization' and the 'reorienting [of] the WTO' is hardly sufficient, nor is it a satisfactory representation of the intellectual depth of TWN's key individuals.¹⁵

Indicative of this omission is the lack of explicit definitions of how TWN understands various concepts. Thus, for instance, its calls for the democratization of international bodies are weakened somewhat by the absence of an explanation of what precisely it means by 'democratization'. Indeed, this vagueness leads to the bizarre contradiction that TWN is constantly urging the democratization of the WTO, while simultaneously criticizing the IMF and World Bank for imposing democratizing conditionalities on its debtors. TWN's frequent promotion of the UN as the most democratic instrument of global governance suggests that it favours a one-country, one-vote system, such as is employed by the UN General Assembly. For an organization claiming to represent the interests of developing countries, this position seems strange; that China, with a population of more than 1 billion, should have the same voting weight as a few thousand people in Luxembourg is a disparity that TWN does not address.

Considering that the South is home to most high-population countries, and that it has a far higher population growth rate than the North, it should be in TWN's interests to push for population proportionality in voting. From another perspective, TWN's failure to criticize the democratic record of governments in the South is also problematic in this context. Can a vote in the UN, or any other international organization, be considered truly democratic if the voters (i.e. the countries) are not themselves democratically selected? Once again, while it is obviously possible to question the democratic record of the developed countries, it cannot be denied that many of the least democratic countries in the world rank among the developing countries. Calling for greater democracy in global governance by giving the military junta in Myanmar and the Mugabe regime in Zimbabwe more of a say in decision-making processes thus raises problematic questions, the like of which TWN fails to address.

Perhaps mindful of these weaknesses, TWN has recently sought to produce concrete strategies for the promotion of sustainable development. In a project funded by the UNDP, it collated and published more than 50 case studies of 'good practices and innovative experiences' in developing countries, ranging from government policies, such as Singapore's Central Provident Fund and Housing Development Board, to protest movements in Brazil and community projects, such as the use of computer technology to aid the blind and even a snake venom extracting co-operative.¹⁶ Yet this project, impressive as it is in its breadth, remains a collection of unlinked case studies and thus stands in contrast to TWN's critique of the current situation. It seems that, while TWN has developed a *systemic* critique of current global governance, it can only provide piecemeal, partial alternatives.

On the face of it, Third World Network—along with other civil society groups attempting to promote alternative development strategies—has all the characteristics of a modern day King Canute, trying to stem the inexorably rising tide of global trade liberalization. Ranged against Western governments and transnational corporations, TWN cuts a slight figure. In reality, the prospects for substantive reform of the WTO and the Bretton Woods institutions are remote. Moreover, such 'successes' that come are often temporary reprieves rather than outright victories—the sense of achievement after the collapse of the Seattle WTO talks (a result of the developing countries protesting against the meeting's procedural bias) was short-lived, as the Doha round adopted even more discriminatory procedures, including the 'Friends of the Chair' appointments.¹⁷

Such measures of success and failure miss the point, however. In resisting the further encroachment of global bodies, the impact of groups such as TWN lies not so much

in substantive victories, but in what further encroachments they prevent. To give one example, during the 2002 World Summit on Sustainable Development, TWN and other NGOs were active in campaigning against a clause in the proposed Plan of Implementation that would have given the rules of the WTO supremacy over the summit declaration and other treaties in international law. The NGOs successfully persuaded a number of small countries to oppose the clauses. After an impassioned plea by the Ethiopian representative, the G77 group of developing countries announced its opposition to the clause, after which first the EU and then the rest of the developed countries accepted that it be dropped.¹⁸

In evaluating TWN, however, it must be questioned whether the organization has in fact gone far enough in developing a thorough and comprehensive critique of the international trade system and institutions of global governance. There is a puzzling lack of any sense of radicalism—by which is meant here a failure to provide a sustained alternative manifesto for the replacement, rather than just the reform, of the institutions of global governance. In some respects, it could be suggested that TWN has become institutionalized into the very system of global governance that it seeks to condemn. Its continuous ride on the global merry-go-round of intergovernmental conferences and ministerial meetings arguably lends these conventions a further degree of legitimacy. That TWN has received substantial funding from UN agencies serves to reinforce this view. Indeed, while the UN might not be as iniquitous a tool of Western domination as the WTO, it is certainly questionable how far it provides an effective and truly democratic alternative. As mentioned above, the one-country, one-vote format of the General Assembly is problematic, as is the format of the Security Council, although this is admittedly outside of TWN's direct area of interest. (Also problematic here is the USA's continuing failure to remit its dues to the UN, another area that TWN fails to address.) In as much, TWN's close relationship with the UN could be seen as an important factor in its neutralization and deradicalization.

Similarly, TWN's increasing refusal to be critical of developing countries is symptomatic of its symbiotic reliance on these governments, through its symposiums and forums, for its perceived role. In its earlier publications, TWN frequently criticized governments of the South for their disunity and failure to block the consolidation of 'Northern' dominance in international bodies.¹⁹ Such a critique is almost entirely absent from later publications. Moreover, its focus on the procedural distortions of the WTO negotiations to some extent obscures the underlying problem of South-South disunity. The 'green room'

may be an undemocratic institution lacking in transparency, but its declarations are, with the exception of Seattle, nonetheless endorsed by the governments of the developing countries. Laying the blame for the inequities of global governance entirely at the door of the developed countries is thus, in the words of one pithy commentator, 'tantamount to asking a burglar not to take anything from your house and to be a good fellow'.²⁰

This institutionalization of TWN into the global governance architecture is further evidenced by the organization's refusal to countenance any radical solutions to the problems of global governance and its gradual acceptance of the status quo as the starting point for reform. Thus, for instance, during the Uruguay round of GATT talks in the early 1990s, TWN was one of a group of civil society organizations vociferously opposed to the creation of the WTO (or MTO—Multilateral Trade Organization, as it was then to be known), presciently arguing that it would constitute an undemocratic and non-transparent super-powerful body outside of the UN remit. Following the establishment of the WTO, however, TWN has restrained itself simply to calling for reform of the body, rather than its complete abolition; it now accepts that a reformed WTO would remain a 'key component' in the international trading system.²¹ To defenders who might point out that TWN is only being realistic in accepting that the WTO is here to stay, it must be responded that even limited reform of the WTO is equally unlikely, and examining where TWN draws its line is thus instructive in understanding its position.

One final criticism that reinforces this perception is TWN's failure to comprehend and engage with the emerging global protest movement against institutions such as the WTO and the World Bank. While it celebrated the collapse of the Seattle round of WTO negotiations inside the conference hall, it had little to say about the events outside. TWN has no organizational links with the groups that have arisen out of the post-Seattle protests, and has not attempted to forge any. Individuals within TWN are privately ambiguous towards the movement; they express their sympathy with the protesters but views such direct action as a 'tactical mistake', having limited impact—if any—on the participating governments, but allowing the media the chance to misrepresent and distort the protesters' intentions.²² Greater still, however, may be TWN's own tactical mistake in not fully appreciating the huge political potential of this movement—not so much in directly pressurizing international bodies and their member governments, but in the formation of public opinion, particularly in the developed countries.

Notes and References

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