Hillary Clinton is right to rethink US trade policy

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From Mr Timothy A. Wise.

Sir, Hillary Clinton deserves credit for publicly questioning the economic rationale for the continued march toward liberalised trade (“Clinton doubts benefits of Doha round revival”, December 3). She can invoke not only Paul Samuelson in calling for a re-examination of the US position in the Doha round of World Trade Organisation negotiations, she can cite the World Bank.

Remember, it was the World Bank that, prior to the Hong Kong WTO meetings two years ago, produced dramatically reduced projections of the economic benefits of a Doha agreement, particularly for developing countries. World Bank models indicated gains for the entire developing world of just $16bn from a possible agreement, less than a penny a day for those who were supposed to be the main beneficiaries of the Doha development round. That is smaller than the annual US food stamp budget.

The number of people living on less than a dollar a day was projected to drop by less than half a percentage point. Sub-Saharan Africa, the region most in need of a boost from the WTO, showed many countries worse off with the proposed Doha liberalisation. Dollar-a-day poverty there was projected to decline by just one-tenth of a per cent.

Senator Clinton is right to rethink US trade policy. US policy has been driven by an ideological commitment to trade liberalisation without regard to its track record in the real world.

As she says, there is nothing protectionist about examining that record to see what works for development and what does not, then designing a policy that improves the welfare – and the buying power – of the world’s poor majority.

Isn't that where progress lies, for all of us?

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