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ECONOMIC VIEWPOINT

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Can the WTO's New Leader Make It a Force for Change?

Thailand's Supachai Panitchpakdi has a grand agenda. Maybe it's too grand, but we should wish him success

In the last weeks of September, as U.S. forces were preparing to attack Iraq, the International Monetary Fund and World Bank were holding their annual meetings in Washington. I find it difficult to wrap my mind around this juxtaposition of the drumbeat for war and the more mundane work of building a stronger world economy. I am certain of one thing, however: We should all hope that the quality of leadership in our government and in international institutions is up to the complex challenges of these times.

I had the chance to spend some time with one of the important members of this leadership cadre, the new director-general of the World Trade Organization, Supachai Panitchpakdi, on the eve of his taking over his responsibilities in early September. A scholar whose PhD dissertation was on human-resources management and economic development, his most recent book deals with China and the World Trade Organization. A central and commercial banker in his native Thailand, he has extensive experience in restructuring financial institutions. Supachai is also a former member of the Thai Parliament who has also held positions as deputy finance minister and minister of commerce and who oversaw the country's international economic policies.

Neither the IMF, nor the World Bank, nor the WTO has ever before had a leader from the Third World. During our long talk overlooking Lake Geneva, the new WTO leader was blunt but courteous, loquacious but thoughtful, confident but sensitive. Above all, he appeared exceedingly ambitious in his goals for the WTO.

Based on our conversation, here is what I think Supachai will try to do. His first move will be to inject energy into the round of global trade negotiations that was launched last November in Doha, Qatar. Supachai will be a

whirling dervish trying to achieve the central goal of those negotiations: bringing developing countries into the center of the global trading system. It will be an uphill fight because Supachai has to persuade Washington and Brussels to beat back their powerful protectionist lobbies for agriculture and textiles. He will also have to persuade the U.S. and the European Union to take time out from their own trade wars over export subsidies, steel, and genetically modified food in order to focus on the larger global picture.

Supachai is also keen to develop the World Trade Organization as an institution capable of leading rather than just reacting to the dictates of its 144 members, all sovereign states with one vote. For help, he has already recruited some exceptionally capable assistants, such as ex-Deputy U.S. Trade Representative Rufus Yerxa. Supachai wants the WTO to help countries solve trade disputes through negotiation rather than winner-take-all legal battles. He feels the WTO should help officials in developing countries establish the laws and acquire the technical knowledge to take advantage of a more open world economy. Meanwhile, the new WTO director-general will attempt to forge closer ties with other international institutions to deal with the complex linkages between trade and environmental policy, trade and labor standards, and trade and poverty.

Supachai says he will try to get closer to nongovernmental organizations such as Greenpeace International and Amnesty International. He will lean on global companies to develop more codes of conduct to help him take the edge off antiglobal protests. And he will endeavor to make the WTO an educational forum for new trade issues such as e-commerce and food safety.

I wonder whether Supachai's agenda will prove to be too grand. After all, he also has to oversee China's adherence to WTO rules and shepherd Russia's entrance into the organization. And he doesn't yet know how much support he will get from the Bush Administration. If the U.S. becomes single-mindedly obsessed with Iraq and terrorism, Supachai may be all but paralyzed by inaction from the WTO's most influential member. If Washington sees global trade liberalization as an integral part of its foreign policy, as the Bush Administration's just-released national security strategy document says it is, then Supachai will have a much easier time. The first scenario seems more likely, but I hope I'm wrong.

Today, the heads of all major international organizations, including James Wolfensohn at the World Bank and Horst Kohler at the IMF, face more

difficult challenges than confront most Presidents, prime ministers, and CEOs of multinationals. They can easily be overwhelmed by the political pressures acting on them before achieving much that the world will note. Who, after all, can name any of their immediate predecessors? We're lucky that men like Supachai are willing to give so much of their lives for so little recognition or reward. As war gets closer, let's recall that there is another imperative under way--global economic progress--and let's hope it isn't displaced in the heat of battle.