

An unlikely champion of libertarianism

Arundhati Roy hits a nerve in THE NATION

It is not a good time for libertarians these days. The U.S. President runs a deficit that would put “New-Dealers” to shame. Democratic candidates, vying for their parties’ nomination, outdo each other in bashing free-trade agreements and come up almost daily with new plans for more protectionism.

Amid this hoopla of highly un-libertarian ideas being touted left and right, an unlikely defender of libertarian ideals emerged in the equally unlikely forum, The Nation.

The Nation’s stance on free trade is not exactly pro-free trade. Apart from domestic protectionism, readers of The Nation can also consume lamentations about the exploitation of third world countries by big corporations.

Arundhati Roy, amiably opinionated as always, takes on “New Imperialism”, “New Genocide” and “New Racism” in her article The New American Century (February 9th, 2004).

She sees in International Instruments of trade and finance an informal version of apartheid. The complex system of multilateral trade laws and financial agreements’ whole purpose, so Arundhati Roy, is to institutionalize inequity.

Why else would it be that the US taxes a garment made by a Bangladeshi manufacturer twenty times more than a garment made in Britain? Why else would it be that countries that grow cocoa beans, like the Ivory Coast and Ghana, are taxed out of the market if they try to turn it into chocolate? Why else would it be that countries that grow 90 percent of the world’s cocoa beans produce only 5 percent of the world’s chocolate? Why else would it be that rich countries spend over a billion dollars a day on subsidies to farmers demand that poor countries like India withdraw all agricultural subsidies, including subsidized electricity? Why else would it be that after having been plundered by colonizing regimes for more than half a century, former colonies are steeped in debt to those same regimes and repay them some \$382 *billion* a year?

This excerpt might include some premises and conclusions that are not standard-libertarian fare – but could a more eloquent case be made for an end to European and U.S. agricultural subsidies, for lower tariffs and truly free trade? On debt forgiveness she sounds rather like Fordham University’s Vladimir Kvint.

The answer to many of the problems she raises is indeed not an end to globalization but for *true* and *more* globalization. For free trade that deserves that name – unilateral on the part of the industrialized nations if need be.

What Arundhati Roy suggests, if unwittingly, is the libertarian take on this subject. Domestic protectionism (apart from hurting the economy at home) is the single biggest obstacle to development in other countries and needs to be abolished. Other countries need to be given the chance to export their products to the U.S. or Europe without the punishment of prohibitively high taxes. The development of agriculture, one of the few fields where Africa, for example, could more than compete with the developed world, is the necessary precondition for these nations to develop in the first place.

But it isn't "New Imperialism" or a conspiring neoliberal project that keep Ghana out of the chocolate market. Rather shortsighted domestic policies and ill thought out international policies are the cause. Domestic protectionism and subsidies to uncompetitive industries cause more harm than good, but satisfy important special interest groups. Countries relying on the WTO to lower tariffs and barriers rather than opening their markets at once, waste time and hurt their own economies while perpetuating the depravity of undeveloped countries. The alternative to the WTO, of course, would be unilateral free trade, not a move back to protectionism.

The neo-liberals or libertarians or classical liberals are not the specter that developing nations need to fear. The "Project of corporate globalization" that Arundhati Roy mentions is not to fault. It is far more poignant to blame lack of oversight, too much protectionism and half-hearted commitments to free trade keep the third world in the strangle hold.

The future of developing countries is indeed dependent on *more* unhampered competition, free and fair trade (the global kind – not the 'buying a pound of coffee in the fair-trade corner store' version.) Slashing farm subsidies is just the first but hugely important step to end the hypocrisy of keeping Africa et al. out of the market while boasting a few million dollars in government spending on foreign aid.

Arundhati Roy said it best. Now we need just listen.

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