

Getting into bed linen

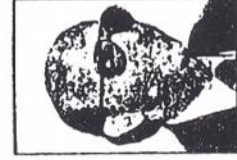
BED linen is an item which never made it to the headlines before but, today, it is making big news. Bed linen is the story of how developed nations are dealing with globalisation, market access and freer trade. And, bed linen is going to be quoted in many trade conversations, especially with the EU, as we go forward.

Why is this so? Why is bed linen coming into fashion at trade talks? Because the defeat of the EU to WTO in the bed linen case at WTO has shown how, on the one hand, developed economies talk of market access and how they practice the denial of it to India, Indian industry and Indian trade.

One-way traffic on roads is for safety and order. It is the same on rail-tracks and on airport runways. We, in India, are particularly alive to the chaos of two-way traffic on congested roads. But one-way traffic is neither relevant nor should it be applicable to trade, which is really a two-way street. It is not only export or just import, it is both. And, freer trade or free trade is all about getting to a smooth flow of trade.

Globalisation, as we have been taught by the theorists and advocates, is all about removing boundaries and borders of all kinds. "Free movement" is the buzzword of globalisation. And never more so than in the 1990s was this more visible, more aggressive, more articulately put, especially by the advanced nations and developed economies.

Clearly, a country like India was on the backfoot. After 44 years of controlled, highly regulated and protected economic development and policy, India, Indian industry, Indian trade, were just coming out of the shadow of protection into the bright sunlight of competition. 1947-1991 was a different time in a "control" regime which built an industry with flab



How WTO is reversing the trade power equation in favour of nations like ours

■ TARUN DAS

and inefficiency. Those days are becoming a thing of the past.

At the cost of unpopularity and the displeasure of our friends in the West, the "slow and steady" approach was the course we adopted in regard to tariff cuts, abolition of QRs etc. However, many in India have felt it was still too fast. But, clearly, the pressure of competition was very important to change our psyche, challenge our competitive instincts and bring out the "aggressive" Indian spirit, which is usually well hidden. And this is actually happening on the ground. The revival of manufacturing!

But what do we find today and in recent years as the slowdown in economic growth has been felt by

item of trade — is, therefore, a great symbol, at least temporarily, of the forces working in EU against market access to India and India's victory at WTO over these forces which tried very hard to block our exports. Domestic political compulsions are a common factor to all democracies. India is no exception. What this means, very simply, is that jobs and votes go together. More jobs, more votes. No jobs, no votes. We, in India, understand this compulsion of the western democracies. The need is for reciprocity in sensitivity and consistency of approach and working to a single standard, not double standards.

The months and years ahead are going to be extremely challenging and complex. Growth is not going to be an easy "product" to come by for the developed nations. As they seek growth in Asia, especially China and India, these emerging economies will be more responsible if bed linen is a one-off case and there are no repeat performances.

The strategy of raising disputes and taking action of different kinds against Indian exports is sadly a game that everyone can play. The anti dumping and non-tariff barrier game is one the developing countries are learning from the developed ones. All of this will create a logjam in trade and poison the atmosphere for freer trade. The strong, developed economies need to remember that trade is a two-way street and that market access must mean the same to everyone. This is a time of transition for every economy — developed and developing — and it is important to keep the process going towards freer market access inspite of pain. India is doing so. The primary advocates in the West need to keep doing so — especially with bed linen!

sation. How many speeches have we got in our records telling us how rapid market opening was the salvation to our future!

The interesting aside is that we agree on the "market opening" concept but we have to do it at a speed which suits our country. Not at a speed which suits others. The "roads" in India are at a different level of development and the speed of traffic has to be lower than what prevails abroad on the autobahns of Europe or the expressways of USA if we are to avoid major accidents!

As we have entered the 21st century we find a phenomenon which is new, growing, peculiar and inconsistent. While India is still being lectured on rapid-fire

Bed linen is a great symbol, at least temporarily, of the forces working in EU against market access to India and India's victory at WTO over these forces

market access, the EU and USA are denying market access to our products and recently, even services. Bed linen is a classic example of the ways and means adopted by developed economies to stop our products from having markets in Europe and USA. The steel quota and tariff initiative of the US, the US Farm Bill, the EU Non-tariff Barriers on food and agri-exports from India, are all examples of this contradiction. The issue now is that domestic political compulsions in the developed world are driving their trade policy and, clearly, they are moving away from practicing what they preach.

Bed linen — an innocuous