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The General Disagreement on Tariffs and Trade

The system that has underpinned global trade for the past 70 years is foundering. So why is no one paying attention?

BY GREG RUSHFORD | DECEMBER 4, 2014

Nearly 70 years ago, with fresh memories of the disastrous trade wars of the 1930s, leaders of the United States and 22 other countries launched the GATT, the General Agreement on Tariffs and Trade. The GATT was charged with slashing tariffs and dismantling other protectionist barriers to global economic growth. And the Geneva-based international organization delivered. By 1995, when the GATT morphed into the World Trade Organization, a series of successful multilateral trade-liberalizing negotiations had slashed average global tariffs, which had been in the 40 percent range in the 1940s, to about 5 percent. Even though many protectionist schemes remained, the WTO seemed poised to continue the good work. But in the last two decades, the WTO has descended into dysfunction, lurching from one bitter fight to another.

A deeply concerned WTO Director-General Roberto Azevedo has bluntly warned the WTO’s 160 member countries that the GATT/WTO system has been “living on borrowed time.” He’s spot-on. I’ve been watching the GATT and its successor global trade rules-making institution for nearly four decades — witnessing the gradual destruction of the world’s most successful experiment in peaceful international economic cooperation. Although the most recent crisis that sparked Azevedo’s warnings was averted on Nov. 27, at least for now, the tensions that have weakened the WTO will remain for the fo
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Saudi Arabia Has a Shiite Problem

Washington's friends in Riyadh continue to oppress and marginalize 15 percent of the population. That's going to lead to disaster.

BY FREDERIC WEHREY  DECEMBER 3, 2014

The first thing I noticed when I visited al-Awamiya, a Shiite town in oil-rich eastern Saudi Arabia, was its utter isolation and stark poverty. Ringed by date groves, it is a tableau of drab buildings, car-repair shops, and restless young men that stands in sharp contrast to the gleaming wealth that most people imagine when they think of Saudi Arabia. It wasn’t easy to get there. My Shiite hoststhreaded a twisting, unpaved road through the date groves and past police checkpoints. Once inside the town, I was met with a massive security presence: turreted ramparts, armored vehicles, and fatigue-clad soldiers.

Since 2011 (and even before), al-Awamiya has been ground zero in a largely forgotten corner of the Arab Spring: the struggle of Saudi Arabia’s Shiites — who comprise about 15 percent of the country’s population — for greater political and economic rights, and especially equal treatment by the country’s dominant Salafi establishment, which regards them as deviants from Sunni orthodoxy. Since the first wave of protests in 2011, approximately 20 young men from al-Awamiya and other Shiite towns have died at the...