FINANCIAL TIMES

1330 Avenue of the Americas, New York, NY 10019 Tel: 212 641 6500 Fax: 212 641 6515

Monday July 22 2002

LETTERS TO THE EDITOR

Russia compared unfairly with China

From Prof Padma Desai.

Sir. In objecting to an early Russian entry into the World Trade Organisation until "meaningful", ie substantial, liberalisation is undertaken before entry. Messrs Roberts and Vastine, heads of the European and US lobbies dedicated to rapid liberalisation of trade in services for the benefit of their members (Letters, July 17), illustrate well how these business lobbies delude themselves, and hope to delude us, that they are requiring of Russians only what "is in their own best interests to do".

Unable to meet the arguments that I advanced for easing up on the demands on Russia, they seek a parallel with their success in driving a hard bargain with China. But the Chinese parallel is meaningless.

The Chinese have had a strikingly robust economy for nearly two decades; the Russians are only now crawling out from under the heavy burden of halting transition efforts. Human rights lobbies, militating against China's "most favoured nation" renewal and, therefore, its WTO entry, indirectly helped the industrial lobbies to secure unprecedented concessions.

In Russia's case, the political liberalisation starting with Mikhail Gorbachev's glasnost has moderated the force of human rights complaints (except for Chechnya before September 11). Besides, Russia's minuscule trade presence abroad, and the fears and threats it can be exploited to arouse, pale before China's immense trade performance.

One could go on – but perhaps to no avail. Lobbyists, while professing social concern, will seek aggressively to advance their interests, despite solid arguments to the contrary.

Padma Desai, Harriman Professor and Director, Center for Transition Economies, Columbia University, New York, NY 10027, US