

Hard Line at WTO Earns Indian Praise

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After nine days of talking tough at the Geneva global trade meeting, which ended in collapse, chief Indian negotiator Kamal Nath returned to New Delhi on Thursday to a hero's welcome.

He was congratulated by colleagues at a cabinet meeting for "bravely fighting the nation's battle." During an interview, his cellphone beeped constantly with text messages reading "Well done," "You have made India proud" and "You held your own in Geneva."

The World Trade Organization talks collapsed Tuesday when developing nations, speaking through Nath, stood firm on safeguard measures that they said were vital to protect the livelihoods of millions of farmers against a likely spike in food imports from rich nations.

The talks focused on farm trade, a highly politicized subject the world over. American and European negotiators were offering to gradually scale back subsidies to their producers that can give a trade advantage. In return, they wanted new access for their farm goods in countries such as India.

In the end, the talks failed over the relatively narrow question of the safeguards Nath championed. But many analysts saw the collapse as a reflection of larger, fundamental differences remaining over future farm trade and further globalization.

As news reached India that Nath was aggressively blocking proposals by wealthy nations, he was cheered as the doughty defender of the rights of subsistence farmers.

"There was enormous pressure, but I was not going to negotiate the livelihood security of Indian farmers," Nath, 61, India's commerce and industries minister, said in an interview in New Delhi. "The Geneva meet is not meant to increase the prosperity of developed countries but reduce the poverty of developing countries."

He said he constantly joked with the American negotiators and had a "one-dollar deal for them," a dare to cut one dollar of farm subsidies.

The Nicorette-chewing politician was often seen abroad as speaking the language of protectionism. But in India, he is known as an aggressive free-market advocate. The entrance to his office in New Delhi has a signboard reading "India: Fastest growing free market democracy."

Nath has been campaigning to bring foreign investment into India's booming retail industry and educational institutions. Two years ago, he launched the biggest industrial expansion program in post-independence India by approving 250 projects aimed at creating Chinese-style special economic zones on Indian farmland. He pushed ahead despite an uproar in Parliament and countless street protests by farmers.

"There is no one in India more committed to opening the economy than Kamal Nath today," said Tarun Das, who heads the Confederation of Indian Industry and who accompanied the minister on earlier trade talks. "He has opened India's trade policy, cut custom duties, freed imports, simplified the rules. But on international agricultural trade, his boundaries were already set."

India began liberalizing its socialist-style economy in the early 1990s, but it still exhibits periodic bouts of suspicion about unbridled foreign investment.

Nath has been contesting and winning elections for 28 years in one of the poorest regions of India and has learned how to balance political and economic priorities. "Who was sitting with me on the table in Geneva? The American negotiator is an academician. The Brazilian foreign minister is a diplomat. And here I was with 28 years of election politics," Nath said in the interview. "I know how to drive a hard bargain."

During the talks, he said, he kept a list of trading countries, writing down points deemed "Must Haves" and "Cannot Accept."

"At any time, I knew exactly how much I could yield to whom," he said with a laugh, showing his notes.

Nath is also an important fundraiser for the ruling Congress party. He studied in one of India's most prestigious private schools and recently wrote a book about this country's economic dream, titled "India's Century."

While writing of a bright future, Nath represents an impoverished constituency, Chhindwara, where about 1.2 million people earn less than a dollar a day. Villagers there dote on him, sometimes washing his feet with their bare hands in metal basins as a sign of respect. He enjoys a sultan-like image among his voters with sometimes flamboyant gestures of largess.

Last year, he arranged for two jets to fly senior Indian industrialists into Chhindwara. He urged them to examine the possibility of turning the power- and water-starved region into a hub of agricultural and forest production.

In 2006, he invited E.U. Trade Commissioner Peter Mandelson to his New Delhi home for his birthday. He also invited a few thousand non-English-speaking poor farmers from Chhindwara. Soon, Nath was swamped by an enthusiastic crowd calling him "Brother Kamal."

Mandelson was a key figure in the Geneva talks, which he later called very difficult and confrontational.

Devinder Sharma, an analyst at the Forum for Biotechnology and Food Security, called Nath "a very astute politician. If he had returned to India from Geneva without the safeguard mechanisms on agriculture, he would have been in unimaginable political trouble. . . . He understands the global economic vocabulary, but he is also a mass leader in India."

Nath said he is not entirely happy the Geneva talks crumbled. The outcome delays decisions on some positive international opportunities for Indians trading in sugar, fruits and vegetables, and cotton, he noted.

But in the end, he said, the problem was the Americans.

Nath recalled that on Tuesday, just before the talks collapsed, U.S. Trade Representative Susan Schwab said, "You know, Kamal, I love you."

"I said, 'Susan, I love you, too. But you clearly don't love me enough, otherwise we would have had a deal on our hands.' "