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11th Ministerial Conference of WTO: Pushing the finishing line forward

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Earlier this month, India, along with other developing countries, looked forward to the 11th Ministerial Conference (MC11) of the World Trade Organisation (WTO) in anticipation. Hoping for a conclusion on the promises made in 2015 at the 10th Ministerial Conference in the form of 'Nairobi Package,' it was strongly expected that a permanent solution to the issue of public food stocking for food security would be reached this time. This would have allowed some breathing space for the seeking countries to continue or introduce new and related programmes while being exempt from penalties for a breach of subsidy limits. The group demanded that domestic policy support to the farmer

in distress should not be treated as trade-distorting and, at the very least, the measurement of subsidies should be pegged against the prevailing prices as opposed to their currently being computed based on prices that prevailed 30 years ago, during 1986-88. However, at the end of MC11, the phrase 'tomorrow never comes' seems to making sense like never before. The WTO supports and promotes the spirit of multilateralism. It has 164 members till date, with Afghanistan as the latest country joining in 2015 after more than a decade of negotiations. The continued expansion of membership only demonstrates the faith and interest of developing and least-developed countries in the philosophy of trade integration at the world level. Multilateralism is all about protecting self-interests while promoting the interests of partner countries. Countries join the global discipline expecting multilateral development and progress from an international trade regime. The functional strategy being that of 'give and take.'

However, this time, at MC11, the strategy recourse has perhaps been 'no take, no give.' Two major powers, one each from developed and developing world, the US and India respectively, made their individual stands clear to the global community. The US followed a diverse and scattered approach by renouncing earlier commitments and resisted even a mention of the Doha development mandate in the ministerial declaration this year. Instead, the US played new cards on e-commerce and investment issues. On the other extreme were countries like India, maintaining that earlier commitments be fulfilled as priority before plating newer issues on the international menu. Polarisation of positions hints that consensual decisions will be hard to reach in the future. India's demanding position on the Nairobi Package is justified in view of its continued faith in the WTO since inception. However, if developed countries suddenly show signs of withdrawal, disinterest, unresponsiveness, ignorance, disorientation or non-commitment, then other countries are likely feel a breach on them. The sea change in attitudes of developed countries can be viewed from two angles analogous to two separate cliffs leading in the same depression ultimately. One way to look at this break from the past of the US and developed countries is their collusive behaviour to dictate rules of the game. Another way to look at is their changing the goalpost itself, placing developing countries in a rear position while commanding the wheel and driving the wagon in different directions of choice. In either case, this

transformation can surely damage the stability of the institution of trade (WTO), in the future.

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Incidentally, Kyoto Protocol celebrated its 20th anniversary this month, since it was adopted in 1997. Hailed as the most significant international treaty to address global warming, Kyoto Protocol called emission reduction commitments to 5.2% below the 1992 levels during the period 2008-12.

However, the US refused to ratify and Canada pulled back in 2011, realising that it would not be able to meet its targeted reduction; also suggesting to sign a new pact. In 2015, Kyoto Protocol was replaced with Paris Agreement. The case only underscores the unpredictability and backtracking of the US on issues of global interest. If past promises are not kept, chances are high that guarantees on future assurances on newer issues, which are being floated, will never be trusted. Turning a blind eye to previous commitments has the danger of turning the time clock back into the past where trade regimes were autarkic. This will surely hammer the links—bilateral, regional, plurilateral and multilateral—which have been carved out through the years. For instance, an immediate hit would be sensed through shackling of global supply chain arrangements. If countries have to reverse their current specialisations and focus on the all-production stages, the transition costs will be severe, and so will be the impact on individual economies and the people. At the end of MC11, although the battle is not lost, it is hard to state if the same battlefield exists. The US guarded a forward-looking approach on newer issues of its interest. However, developing countries are still on other side of the bridge, counting on previous commitments, which are yet to see the light of day. Under such circumstances, there are two disjoint spheres of interest and unanimous democratic outcomes are unlikely to be achieved in the immediate future. With no breakthrough achieved at MC11, it is best in international

interests that the members think more rationally to meet the needs of others rather than just imposing their disregard on developing countries. This would instil faith and bring the negotiations back on track so that the show goes on. Until then, the finishing line has been moved forward to some undeclared time in the future.

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