

## **Webinar on the WTO in three parts:**

History

Current Situation (legislative)

Cases (judicial)

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### **Three points:**

- WTO negotiations are mostly a fight between developed and developing countries.
- Civil society organizations have bridged that divide in solidarity with the South but also by showing fact that it's corporations from North writing the rules.
- Still an ongoing battle – would have concluded were it not for resistance!

### **Part I – A History of the WTO**

- Pre-WTO – GATT. Just on tariffs on goods. It was set up after WWII to prevent protectionism.
- Tariffs are taxes. Part of UN so little enforcement.
- Developing countries wanted International Trade Organization – no because of agriculture
- Uruguay Round: US and EU transformed the GATT into WTO. Took itself out of UN.
- Some of us realized it was the same policies of structural adjustment but to make the policies permanent. So even though many countries may have bad policies, it is often because of IMF and WB because of post-structural adjustment. Countries may even have high bound tariffs and they could raise their tariff.
- And there was an idea of having dispute settlement so that rules can be enforced – just like the UN cannot. Countries still queue up to join the WTO because then they can't get their trade cut off because of discrimination.
- So all these policies were brought into the WTO, services (General Agreement on Trade in Services (GATS), Trade-Related Investment Measures (TRIMS), government procurement, Trade Related Intellectual Property (TRIPS). So they say that these issues are “trade-related” because anything can be “related” to trade. They snuck these issue into the agenda, like intellectual property and people didn't even know what the issues were. Or they just say, well if you don't want to negotiate, maybe we could at least discuss! No we don't want to discuss! OK well maybe we can just collect statistics! Ok well that doesn't sound so dangerous...and then that leads to the foot in the door... Then it's reports on barriers...then its transparency...suddenly you have a binding agreement when developing countries never agreed to negotiate!
- Big tradeoff was Agriculture for TRIPS and Services. 1995 WTO starts.
- Developing countries – Implementation Agenda of changes they wanted since 1995, called Special and Differential Treatment.
- 1997 In Singapore Ministerial - they tried to introduce these four issues (Trade Facilitation, Investment, Government Procurement, Competition Policy). Just got agreement to have as a Study Group on Singapore issues.
- 1997 – we derailed the MAI.
- Seattle 1999 – you know that part!

- Launch Doha Round in 2001 – development issues (Special and Differential Treatment) but also market access: goods (Non Agricultural Market Access or NAMA), services (GATS), Agriculture, everything. Market access means reducing tariffs and non-tariff barriers.
- 2003 – Cancun Ministerial. Big fight. Huge farmer protests; Korean farmer Lee Kyung Hae sacrificed himself. Developing countries and OWINFS got the Singapore issues kicked out as long as Doha Round is on the agenda. Meeting fell apart and Ministers left. But then there were more meetings after Ministers left, and Trade Facilitation was let in, we didn't oppose it as much. First time there was a developing country coalition across regions – G20.
- 2005 Hong Kong. At the end of the Ministerial, the Chair had arranged the conclusion, and removed the microphones from the Ministers' tables. And the Chair said, "seeing no objection, I hereby say that we have accepted the text." But this was the first appearance of the left of Latin America as a force in the talks. And so Cuba and Venezuela had to actually physically jump on the table and say that they object. But they weren't allowed to block the negotiations, they were only allowed to put in a reservation. Focus on agriculture & NAMA then. Building of social movement forces focusing on agric & NAMA also.
- And so then we had the new strategy of Mini-Ministerials in Geneva. They have this strategy to only include some of the Ministers, and it's not highlighted with civil society. But they also collapsed, in 2006 and 2008. That was the closest we ever came to having the negotiations conclude for the whole round was 2008. US actually went back to the corporate hotel to ask if the deal was OK and they said no – which is what you see them doing with the TPP now!
- 2009 was when it became clear that the US was starting to pull away. They didn't want the Ministerials to be the key moments of decision-making. Also they had decided that they would not give any concession that the BRICS didn't also make – they no longer are willing to consider India, Brazil, China as developing countries.
- 2011 also the Ministerial made a few decisions but it wasn't big decision point. But right before that one, the US started saying that they didn't want to conclude the Doha Round. No Doha Round. So OWINFS started saying Turnaround! We started to push an agenda of changes to existing rules, sidestepping the issue of Doha Round, but putting forth changes. Goes back to Shrink or Sink message.
- But they did start negotiating on Trade Facilitation. So you've been having these parallel tracks of Agriculture – because that's developing countries' main ambition for change – against Trade Facilitation. Developing countries had put forth a proposal for Public Stockholding for Food Security. This is because developing countries are not allowed to use trade-distorting subsidies. Only allowed what you were doing at start of WTO. Developing countries didn't have the money then. They want to invest in Food Security.
- Then just before 2013 Ministerial, Roberto Azevêdo of Brazil was elected as Director General. He was seen as a leader...led TF negotiations. Failed. Went to Bali – thought it was NOT going to be a negotiating Ministerial. Held all night sessions between India and the United States. Came out with a deal – Peace Clause – temporary, complicated conditionalities v TFA binding rules forever.
- Big fight on waiver for implementation of the TRIPS agreement for Least Developed Countries (LDCs) – originally was 5 years, then 2, now 17. Big victory for TWN and all

the health groups – demonstrates success is possible with a focused strategy and dedicated hard work by NGOs with international support.

## **Part II – Current Situation**

- Many countries have ratified the Trade Facilitation Agreement – binding rules based on the practices of developed countries, for developing countries – on issues like how long a ship can take to unload. But need until 2/3 of membership.
- Fight for a permanent solution for public stockholding for Food Security. US groups wrote two letters last year. US provides approximately 47 million people with SNAP benefits, per capita about \$2270/year. India will be providing 800 million people with some supplemental food - \$17/year with a focus on children and pregnant and lactating women. India's program is considered WTO-illegal because they purchase food from resource-poor farmers. US program is not. (We do not believe domestic food security should be limited by WTO!) There is an agrarian crisis in India – 300,000 farmer suicides between 1996 and 2014. Forty percent of Indian children are underweight. Stunting rate of more than 30%, higher than SSA. But many African countries also have public stockholding for Food Security programs.
- Remove WTO Obstacles to Food Security! Otherwise countries won't be able to achieve SDGs! Also true for public services, job creation in SDGs – important to emphasize how we set goals but then don't allow developing countries to use the tools to develop their economies that we used..
- Some progress on agriculture: disciplines on Export Competition but that's not the main subsidies – it's Domestic Support. The United States provides over \$134.3 billion in domestic supports while India provides \$51 billion; but although these investments support 2.4 million producers in the United States, yet support 265 million people in India, it is India that has been criticized in the U.S. press. Disciplining these subsidies was a prime reason that developing countries agreed to launch the Doha Round to begin with.
- Fight for the Implementation Agenda – Special and Differential Treatment. Such as policy space for industrialization – moving up the ladder of development. Rich countries want poor to integrate into Global Value Chains (GVCs) but to stay at the low level (materials export). Long history in the WTO of these demands – very similar to the Turnaround Agenda of international civil society. Civil society is pushing for the Doha mandate on development, but not the Doha aspects on market access.
- Big issue – whether Doha is “over” or not. It's not just the issues, it's a framework with core principles including Special and Differential Treatment and Less Than Full Reciprocity which are supposed to characterize the differences between the requirements for developed countries and developing countries. US has pushed hard (aided by EU, Australia) to get rid of Doha mandate.
- Biggest issue is whether the “new issues” will be brought in – investment, government procurement, competition policy (SOEs), also services, GVCs.
- Global picture – US has abandoned multilateralism, is instead pushing for megaregionals (TPP and TTIP) and plurilaterals including the Trade in Services Agreement (TiSA), Environmental Goods Agreement (EGA) and the expansion of the Information Technology Agreement (ITA-II).

## **Part III – Some Important Cases of the 501 Cases Filed**

1. COOL – Country of Origin Labeling – US lost, we actually just changed our law.
2. Brazil cotton – US subsidizes cotton production to a very great extent. Brazil filed a case against the US and won; US pays Brazil \$100 million but the Africans are still losing market share to subsidized US exports.
3. Dolphin-tuna case – US movement tried to protect dolphins who were getting caught in tuna nets; Mexico filed case against US; WTO ruled in favor of Mexico. So now we not only can't block imports of tuna caught with nets that kill dolphins, but our dolphin-safe tuna labels are also WTO-illegal.
4. Also the shrimp-turtle case, in which shrimp nets used to have to have devices to allow turtles to escape, but that was ruled WTO-illegal.
5. There is a complaint by Ukraine (also Cuba, Honduras, Dominican Republic, Indonesia, and several other countries) against Australia for plain packaging, just like the more famous ISDS cases you hear about.
6. Public interest cases in general, there is supposed to be a “general exception” for public interests, health, safety etcetera – in 44 cases, only 1 time did a country succeed in defending its public interest provision.

Lots of renewable energy keep in mind oil subsidies are not in the WTO!

7. Canada lost a case to protect Feed-in-Tariffs because 25% had to be sourced domestically from renewable energy. Japan and EU challenged and won.
8. US challenged India for local content requirements and subsidies – trying to use solar energy to create jobs – US won against India – Sierra Club has been saying that the US should be encouraging India's solar! Coal kills tens of thousands of people a year in India. To achieve Paris deal, we need everyone scaling up sustainable energy programs.
9. In some cases they are standard trade disputes. But many have serious political implications for public policy. And many are thus Corporations v People.

## Conclusion

- WTO still sets the rules for global trade. But the WTO is the only global body and the one that has 162 members (Afghanistan and Liberia will bring it to 164). Countries file disputes with each other all the time, and some of them have serious policy implications and the results are almost always negative for health, safety, environment, workers.
- There is a push to have even more neoliberal rules set through bilateral, megaregional, and plurilateral deals. The corporate pushers get the US to strike deals with weaker and more neoliberal countries, and are working on bringing those same issues back into the WTO to have them apply to the entire world.
- Big fight now is over the potential introduction of the “New Issues.”
- Other big fight in the future over Food Security in the WTO – people who care about hunger should be involved and criticize the US position which is inconsistent with US policy on global food security, even QDDR has acknowledged. It's going to get worse with climate change.
- WTO rules are making it more difficult for countries to recover from global crisis (restrictions on job creation, industrial policy); to deal with and create solutions for the global climate crisis (restrictions on subsidies for green energy, not for oil!); and exacerbating the food crises. We need these rules to be transformed – different system than the WTO, but immediate changes must be made now!

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