

WTO rules on food security, free movement of labour far too important, says India

On March 14, the US requested consultations with India under the World Trade Organisation (WTO)'s dispute settlement process over five Indian export subsidy schemes designed to improve India's manufacturing exports. This came in the wake of a WTO dispute panel established on February 28 to look at India's implementation of a September 2016 WTO judgement in favour of the US which had questioned India's domestic content requirements for procurement of solar cells and solar modules.

As India hosts an informal WTO ministerial meeting in Delhi today and tomorrow, the India-US dispute is not said to be on the agenda. But the Trump administration's decision to take India to the WTO signifies two things. First, it allays fears that the US under Trump could withdraw from the WTO and initiate unilateral protection measures, and second, the inherent friction between "Make in India" and "America First" programmes for socio-economic development are real.

Still, the WTO "mini-ministerial" in Delhi is an attempt to restore confidence and mutual trust among member countries and reassure them that the WTO remains the "best available institution to ensure a predictable and transparent system of rule-making in the area of international trade".

Also Read | [At WTO meet, put fishworkers at the centre of negotiations](#)

Since the WTO was established on January 1, 1995, India has actively used its trade policy rules to support its own process of economic reform. Today, international trade accounts for about 40% of India's GDP. India's primary focus has been on the "development dimension" of the WTO, including the "special and differential treatment" provisions of WTO trade rules, which enable it to accelerate its socio-economic development. In the process, India has ensured a supportive external environment for her ambitious economic reforms.

This applies particularly to the WTO's enforceable dispute settlement system, which is unique to structures of contemporary global governance, including the UN. Since the WTO was founded, India has taken part in 176 WTO dispute settlement proceedings to protect or pursue its economic interests, including as a third party to the dispute, putting it among the top 7 WTO members using WTO dispute settlement provisions to regulate divergences on international trade issues. (The others are USA with 393 disputes, European Union or EU with 260, Japan with 212, China with 196, Canada with 182 and Brazil with 169).

For India, three areas are currently priorities in the WTO negotiations. These are agriculture, services, and what have been called "institutional" issues.

In WTO negotiations on agriculture, India has very significant interests. More than 650 million Indians depend on agriculture for their livelihood, the vast majority of them being small farmers. India has led the call for WTO agriculture negotiations to allow developing countries to ensure food security, which is linked to rural employment. The focus of this has been on public food stockholding for food security purposes, which has been strongly resisted by developed countries whose agriculture exporters seek greater access to India's agriculture market.

As a September 2017 academic study by the University of Edinburgh's Kristen Hopewell pointed out, "agriculture accounts for only 1% of GDP and less than 2% of employment in the US compared to 17% of GDP and 50% of employment in India".

At the WTO Ministerial Conference in Bali in 2013, India with other developing countries had succeeded in formulating an interim due restraint mechanism for their food security programmes not to be targeted by WTO dispute settlement cases initiated by developed countries. Food

security today is an integral part of the global Agenda 2030 for Sustainable Development. The mini-Ministerial could consider dovetailing these two into a Doha Round outcome.

A second issue of interest for India in WTO agriculture negotiations is to reduce the high agricultural subsidies currently given in developed country markets. These subsidies prevent the competitive entry of agricultural exports from emerging agricultural exporters like India to developed country markets, while giving an edge to global agriculture exports from these countries to India.

On services negotiations, India's current interests are focused on ensuring predictable and stable access for its services exports, driven by India's skilled manpower, to the global market, mainly the US and EU. The 2016-17 [Economic Survey](#) indicated that India's Information Technology-Business Performance Management exports alone reached US\$116 billion in 2016. The temporary movement of skilled labour under WTO provisions (Mode 4 of the General Agreement on Trade in Services or GATS) has a major impact on India. The World Bank estimates that out of total global remittances worth \$600 billion in 2015, India received as much as \$72 billion from Indian citizens working abroad.

Rising protectionist sentiments in the US and EU have cast a shadow on this sector. This is best illustrated by the anxiety surrounding the existing market access regime given to H1B visa holders from India in the US and uncertainties in the EU market following the "Brexit" referendum in the United Kingdom.

India will look to generate understanding, and support for its position among the participants of the mini-Ministerial meeting in New Delhi, although most of them do not have the kind of stakes India has in enhancing Mode 4 delivery of services as part of the Doha Round outcome.

At the Buenos Aires meeting in 2017, the US, EU, Japan, Canada, Brazil, Taiwan, South Korea, Russia, Hong Kong China were among 71 WTO members, accounting for 77% of global trade, to issue a ministerial statement on E-Commerce. The Trump administration has since endorsed a joint position on this initiative at a recent meeting between the US, EU and Japan in Brussels. Given the close interface between this issue and India's profile in trade in services, the New Delhi meeting provides an opportunity to have another look at this initiative, so that India can be in the decision-making process to give shape to the final outcome of WTO e-commerce negotiations in the future, especially on "promoting open, transparent, non-discriminatory and predictable regulatory environments in facilitating electronic commerce."

Among the "institutional" issues that India has raised are attempts being made to "curtail the development dimension of trade and trade rules" in the WTO as part of the Doha Round. This would significantly impair the balance of rights and obligations that developing countries like India took on when signing the WTO Agreement at Marrakesh in 1994. The "development dimension" of the WTO remains the most resonant reason for domestic opinion in developing countries to accept and support the obligations placed upon them by across the board ongoing global trade liberalization. Today, as many as two-thirds of the 164-member WTO are developing countries.

Asoke Mukerji was India's Ambassador and Permanent Representative to the United Nations till December 2015. He has been a trade negotiator for India, and Chairman of the WTO's Committee on Specific Commitments

END