

# THE MANY CHALLENGES FOR WTO

Relevant for: International Relations | Topic: World Trade, WTO and issues involved

A sign of the WTO is seen on their headquarters in Geneva. | Photo Credit: [AFP](#)

For the first time in its 25-year history, the World Trade Organization (WTO) will be led by a woman, as both the contending candidates for the Director-General (D-G) post are women, from Nigeria and South Korea respectively. The prestige aside, the D-G's job will require perseverance and outstanding negotiating skills for balancing the diverse and varied interests of the 164 member countries, and especially, for reconciling competing multilateral and national visions, for the organisation to work efficiently. The next D-G will have to grapple with the global economic fallout of the COVID-19 pandemic and work towards carrying out reforms of the multilateral trading system for reviving the world economy. On all these issues, her non-partisan role will be watched carefully.

The current impasse in the WTO negotiations has led member countries to believe in the necessity of carrying out urgent reforms, even as the debate is likely to throw up some difficult choices for developing countries like India. At the core of the divide within the WTO is the Doha Development Agenda, which the developed countries sought to jettison in favour of a new agenda that includes, amongst others, e-commerce, investment facilitation, MSMEs and gender. Salvaging the 'development'-centric agenda is critical for a large number of developing countries as they essentially see trade as a catalyst of development. Restoring the WTO dispute settlement mechanism, especially the revival of its Appellate body, is also crucial for the organisation's efficient functioning.

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The push for a change in the definition of "developing country" under the principle of special and differential treatment (S&DT), aimed at upgrading certain developing countries, will deeply impinge on the status of emerging economies such as India, China, South Africa, Turkey, Egypt, et cetera. The assumption that some countries have benefited immensely from the WTO rules since its formation in 1995 is flawed, at least in the case of India. And even if there may be no consensus of views on measuring 'development', India will remain a developing country no matter which parameter is used. The way out for India could be to negotiate a longer phase-out period, or an acceptable formula based on development indices, etc.

Among the current negotiations at the WTO, nothing commands more attention than the fisheries subsidies negotiations. India can lead the way in finding a landing zone by urging others to settle for the lowest common denominator, while seeking permanent protection for traditional and artisanal farmers who are at the subsistence level of survival. The danger lies in seeking larger carve-outs, which, if universally applicable to all, could result in developed countries ploughing precious fisheries resources in international waters.

The consensus-based decision-making in the WTO, which makes dissension by even one member stop the process in its track, gives developing countries some heft and influence at par with developed countries. The D-G would need to tread cautiously on this front, as some will allude to the successful implementation of the Trade Facilitation Agreement in 2017, that allowed member countries to take commitments in a phased manner in accordance with their domestic preparedness.

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The COVID-19 crisis has revealed the urgent and enduring need for international cooperation and collaboration, as no country can fight the pandemic alone. The D-G can help mitigate the effects of the pandemic by giving clear directions on ensuring that supply chains remain free and open, recommending a standard harmonised system with classification for vaccines, and by the removal of import/export restrictions.

Voluntary sharing and pooling of Intellectual Property Rights (IPR) is required for any global effort to tackle the pandemic, but with the fear of vaccine nationalism looming large, several countries are seeking to secure future supply of leading COVID-19 vaccines. Our Prime Minister's reiteration that India's vaccine production and delivery capacity will help the whole of humanity will require the D-G to play a responsible role in removing barriers to intellectual property and securing a legal framework within the WTO TRIPS Agreement, by lending salience to the effective interpretation of Articles 8 and 31 of the Agreement, that allow compulsory licensing and agreement of a patent without the authorisation of its owner under certain conditions.

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Most imminently, the next D-G will need to build trust among its members that the WTO needs greater engagement by all countries, to stitch fair rules in the larger interest of all nations and thwart unfair trade practices of a few.

*Dammu Ravi is Additional Secretary, Ministry of External Affairs*

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