

## WTO: anti-multilateral attacks and mini-trade ministerial in Delhi

Hosting a mini-trade ministerial summit is tricky. More so, when the global trading system is in a shambles and multilateral trade liberalization is being ridiculed. The US President Donald Trump “seems to hold a steadfast belief that protectionism works,” *The Economist*, which supports a liberal trade order, wrote on 25 January. Trump’s decision to slap punitive duties, of up to 30% on imports of solar panels and up to 50% on imports of washing machines from China and South Korea on 22 January came under intense criticism. By using “tariffs not sparingly, but repeatedly and aggressively,” Trump has declared that he is open “for business, just not the healthy sort,” it said.

Prior to that belligerent safeguard action, Washington declared its intent to wreck the global trade dispute resolution body of the World Trade Organization (WTO) on grounds that its verdicts are against American practice in slapping anti-dumping and countervailing actions. The US also denied India and other poor countries a global instrument to address hunger, which is claiming tens of millions of lives annually the world over. Indeed, the US’s decision to pull the plug on vital developmental issues at the WTO Buenos Aires ministerial meeting in December failed to surprise the participants. “We are proud to defend the interests of US stakeholders at the WTO, including our farmers and ranchers, who need a result on agriculture that is based on the realities of today, rather than a 16-year-old, outdated and unworkable framework,” the US trade representative Robert Lighthizer declared a day after the collapse of the meeting. “MC11 (the eleventh ministerial conference) will be remembered as the moment when the impasse at the WTO was broken,” he argued.

Against this backdrop, India’s decision to host an informal ministerial meeting of around 40 countries on 19 March in New Delhi seems like an audacious move. It is not the first time that India is hosting such a meeting. The previous United Progressive Alliance government led by the Congress party convened two meetings in 2005 and 2009. At the 2005 New Delhi meeting, then trade minister Kamal Nath declared that India will leave no stone unturned to secure credible outcomes on issues concerning its poor farmers in agriculture. That meeting also witnessed tensions between India and Brazil when Kamal Nath refused to endorse the Brazilian candidate for the WTO’s top job. Instead, India backed the European Union’s former trade commissioner Pascal Lamy for the top job in 2005, and in return, secured a place for an Indian candidate in Lamy’s team.

During the 2009 meeting in New Delhi on “Re-Energizing Doha- A Commitment to Development,” Nath’s successor Anand Sharma, who wanted to tell the world that he is one step ahead of Nath, posed several issues for ministers to debate. The “objectives of the Delhi ministerial,” declared then commerce secretary Rahul Khullar, is to weave the “separate threads” in the Doha negotiations together “into a response of solidarity to move the multilateral process forward.”

“This is what the Delhi meeting attempts to achieve ... It brings together groups from across the spectrum of interests and positions in the Doha negotiations, in a microcosm of the WTO itself, in a bid to give a determined push to the multilateral process,” Khullar said.

However, the New Delhi meeting got embroiled in a bilateral trade spat between the US and China over the safeguard duties imposed on Chinese tyres by the Obama administration. That issue almost stole the thunder from the call for solidarity to move the multilateral process forward.

Indeed, one must give the devil its due: there is a certain historical consistency in what the global military and trade hegemon unilaterally does regardless of the dangers it posed to the multilateral trade order. For example, the US imposed illegal safeguard duties on steel in 2001, immediately

after launching the Doha Development Agenda trade negotiations; on tyres in 2009, immediately after deciding to junk the Doha trade negotiations and opt for the Trans-Pacific Partnership (TPP) agreement; and now on solar panels and large washing machines after embarking on “America First” trade policies.

Against this backdrop, it is going to be a Herculean task to salvage the multilateral trading system when it is being single-handedly torpedoed by Uncle Sam. Surely, commerce minister Suresh Prabhu, who is going to chair the Delhi meeting for two days during 19-20 March, must be aware of this stark protectionist reality. At a closed-door dinner meeting of select trade minister on 25 January on the margins of the annual World Economic Forum in Davos, Prabhu said India wants to address issues concerning agriculture and development to kick-start work on the multilateral process.

But other trade ministers from the European Union (EU), Canada, Japan, Norway, Switzerland and Hong Kong among others who took part in the dinner remained tone deaf to Prabhu’s call for multilateral resurgence. Instead, they sang in chorus that they will opt for “plurilateral” (more than two countries, but a small number) initiative on electronic commerce and even other issues such as investment facilitation, disciplines for micro, small, and medium enterprises, and trade and gender.

In an interview, following the dinner meeting in Davos on 26 January, South Africa’s trade minister Rob Davies castigated attempts to bring “digital two dozen rules” into the WTO by the sponsors of the plurilateral initiative on e-commerce. The digital two dozen rules, which refer to the commitments negotiated by the US and 11 other countries in the TPP, were never accepted by the majority of WTO countries, including India and China. “If you cannot get something in the multilateral system it doesn’t mean you form a group and then write the rules and expect those rules to be adopted at the WTO,” Davies said.

Therefore, the New Delhi meeting next month faces the prospect of being hijacked by the deadly pre-emptive strikes by the US, EU, Japan, Canada, Norway and Singapore among others to intensify plurilateral work on e-commerce instead of addressing the unresolved issues in agriculture and development multilaterally as WTO members are mandated to do under the Doha agenda. The moot issue is how will Prabhu stop these anti-multilateral attacks in New Delhi that are bound to reinforce the plurilateral moves in the WTO.

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