

A FULLY FUNCTIONAL WTO WOULD SUIT OUR INTERESTS

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

The appointment of Ngozi Okonjo-Iweala as WTO's head could herald a US-backed revival of its free-trade agenda. Global cooperation needs renewal. And we must make the most of it

In 2012, a retired professor named Kamene Okonjo got kidnapped in Nigeria. As ransom, the abductors wanted her daughter Ngozi Okonjo-Iweala to resign as their country's finance minister for having cracked down on a fuel-subsidy scam. She secured her mother's release alright, but did not back down. She will need that tenacity. This week, the World Trade Organization (WTO) chose Okonjo-Iweala as its director-general for a four-year term by a consensus among its 164 members, as required for all its major decisions. This need underscores the immensity of the challenge that confronts her: a world more divided over trade than any period since World War II. As Roberto Azevêdo's successor, she will have much going for her once she assumes office. She has dual US-Nigerian citizenship, had a long stint as a World Bank economist, and will be the first woman to lead the WTO. Crucially, she can count on the backing of America, which under President Joe Biden promises to revive global trade that abides by globally-agreed rules. This would be a relief after the Donald Trump interregnum that saw the WTO adrift—with its mechanism for dispute resolution jammed even as his mercantilist impulses caught wind, trade theory was almost prodded off the plank, and actual trade turned fractious.

Global shipments had been losing pace for about a decade when coronavirus fears sank cross-border commerce. A return to normalcy, however, must go far beyond a worldwide recovery in exports and imports. The WTO does not just need to re-establish itself as an effective arbiter of world trade, it must promote the principle of mutual gains made through global cooperation. On this, Okonjo-Iweala has got her priorities right. She has said she will start by ensuring the free flow of vaccines to quell the covid pandemic and aid an economic recovery. Given the glaring global gaps in vaccine availability, this is a must. Few other issues have ever made the benefits of acting in unison so obvious, and success in this exercise can open up space for enlightened self-interest to prevail over hyper-nationalist myopia in trade talks. To help everyone get a covid jab, India and South Africa have asked for a relaxation of WTO rules on vaccine patents. This proposal deserves attention. Once the pandemic subsides, the WTO focus should shift to China, whose domination of various markets overseas is under suspicion for good reason. It seems undergirded by an opaque system of state support that subverts the idea of fair trade as framed by free-market economists. A modus vivendi could perhaps be found if Beijing saw its export prospects cramped by a failure to address the concerns of other countries.

If the WTO gets active on its free-trade agenda again, we should be ready to guard our own interests, especially in the country's troubled agricultural sector. Western nations have long glared at our indirect farm subsidies, while aiding their farmers with big sums of money in the name of food security. We have resisted the West's calls to dismantle our support structure for farming, though modest moves have been made to shift from input subsidization to direct cash transfers. The Indian government has been clear that enablers of our cheap-food assurance to the needy will stay in place. Now, talk has arisen of a 'grand bargain' by which rich nations reduce their farm props in exchange for easier access to markets like ours. Tricky trade negotiations may lie ahead.

Click here to read the [Mint ePaper](#) Mint is now on Telegram. Join [Mint channel](#) in your Telegram and stay updated with the latest [business news](#).

Log in to our website to save your bookmarks. It'll just take a moment.

Oops! Looks like you have exceeded the limit to bookmark the image. Remove some to bookmark this image.

Your session has expired, please login again.

You are now subscribed to our newsletters. In case you can't find any email from our side, please check the spam folder.

END

Downloaded from **crackIAS.com**

© **Zuccess App** by crackIAS.com

CrackIAS.com