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TRADE AS AN ENABLER OF PEACE AND BETTER LIVING CONDITIONS

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1. Trade today represents nothing less than the sum total of relational flows throughout the world. The volume of trade that flows from commercial relationships, however, is not unaffected by conflict. The question that needs to be determined is whether conflicts become less frequent as a result of international trade. The interests at stake, in terms of the relative power of States (which most often manifests itself in the trade arena) need to be reconciled with the idea of a harmonious international society. Does trade make conflicts impossible? Has human history not demonstrated the contrary? In reality, rather than revisiting the past, the central questions are how can trade be transformed into an instrument for promoting international peace, and how can parliaments help create a peaceful society?

2. As part of this dynamic, peace-building must begin from the very start of human interconnection. Insofar as a link exists between interdependence and the extent of conflict, what role can parliaments play to create the conditions needed to take advantage of this link and to contribute through trade to development and peace? In today's world, the WTO is the international framework through which we can "pacify" international trade. Growth in membership and in the demand for membership attests to the confidence that States place in the regulation of international trade. That confidence is confirmed by the celebration of the WTO's 20th anniversary.

3. Action by parliaments is essential, first and foremost, to strengthen good governance in budgetary matters. But parliamentary action must not stop there: development requires more sustainable economic activity, to create jobs and improve citizens' living conditions. From that perspective, economic and trade relations represent a cornerstone for the new global governance and a society more just for all.

4. The aim of this paper is to outline the role that parliaments should play in promoting peace through trade; but first, some initial observations about how trade relates to peace and to conflict.

Trade and relations among States

5. Trade, as a process of both exchange and interrelationship, needs to contribute to the promotion of social justice. The idea of global trade in the service of peace has therefore been a central concern for world business and political leaders over the past two decades.

6. For poor countries, the natural resources that should be an asset for development represent instead a factor of instability, growing inequality and often militarization and systematic recourse to violence. Having significant natural wealth, therefore, becomes a trap in which a series of diverse interests give rise to a closed network of relations acting on the fringes of legality and constituting an inexhaustible source of conflict.

7. Thus, conflicts are most often linked to the exploitation of those natural resources, legally or illegally, and efforts by military or paramilitary groups to control them. Insofar as they contribute to sustainable development, the efforts of the WTO to bring an end to illegal trade in natural resources must continue.

8. Relations between the great powers and the emerging economies are also part of a dynamic of inequality, as each country seeks to exert its political power and control trade flows in its own best interests. Trade relations are becoming a source of tension that could threaten peaceful coexistence among States. Moreover, trade is often subject to political bargaining to force certain States to act in the interests of their supposed partners.

9. From another perspective, trade can be undermined by armed conflict. The free circulation of people and goods becomes more difficult as conflict interferes with smooth and peaceful commerce, ultimately creating other tensions within and between States. By hindering trade, conflicts undermine international security. It can justifiably be said, therefore, that while trade is a source of conflict, conflicts undermine trade, by fuelling or kindling other conflicts.

10. It is important, as the WTO observes its 20th anniversary, to celebrate the rounds of negotiation and agreement concluded to date. However, the growing inequality between and within States raises doubts about the benefits actually derived from these processes: the rise of extremism in some States is often the fruit of economic inequality within their populations.

The WTO and the rules of international trade: the role of parliaments

11. The WTO serves today as both a regulatory body and an arena for competing national economic interests. And yet, the many challenges that remain unresolved could place the Organization's credibility in doubt. If we take as our premise that international organizations are not an end in themselves but instruments for managing priorities dictated by human needs, which must therefore be flexible and adaptable to the needs of the moment, global governance of international trade should seek to direct the interplay of economic forces on the basis of solidarity among peoples.

12. Parliaments, as the preeminent political representatives of all segments of society, play a central role in the management of social compromise. It is up to parliaments to represent and defend the interests of all classes in the formulation and in the effective and efficient execution of public policy. Given their crucial place in the balance of powers, parliaments must play a stronger role in the stabilization of trade flows.

13. Parliaments need in particular to support the establishment of transparent rules to promote fair and more equitable international trade, in the form of trade partnerships based on dialogue, transparency and respect. Fair trade contributes to sustainable development by offering better trade conditions to marginalized producers and protecting their rights, especially in the South.

14. As the *fora par excellence* for political debate, negotiation and compromise, parliaments have the tools required to help build such a dynamic. They can serve as safety valves by enacting laws to make the system efficient. But such a dynamic can only contribute to peace-building if parliaments, in serving the interests of their respective populations, do so as part of a global vision for international trade. Indeed, while power politics will always enter into the process, international trade must be configured with a view to building peace through fair and equitable trade rules. It is in this sense that parliaments can discuss the economic conditions most acceptable to all.

WTO negotiations and parliamentary diplomacy

15. World affairs have been moving in such a way that international negotiations, on political as well as economic matters, are generally conducted in the absence of those most affected: the people. The WTO's objectives and rules can find a more solid foundation, however, in parliamentary diplomacy. The logic of interdependence to which the IPU is dedicated can contribute to collaboration among States within the WTO and more uniform compliance with its common set of rules. Inasmuch as parliaments are the instruments through which peoples express themselves, the legitimacy of international trade rules depends on a few essential elements.

16. The first step is to involve parliamentarians in the negotiations conducted by States within the WTO framework. Governments can enhance their legitimacy by including members of Parliament in the delegations that participate in international negotiations on WTO rules. The same in fact can be said about all international negotiations. This is not a matter of parliaments interfering in the work of the executive branch but of giving such negotiations – and thereby giving peace – a

chance, by joining the efforts of both branches of government. It can also be argued that negotiations conducted within the WTO are predestined to fail if the agents doing the negotiating remain averse to compromise, a skill that is exercised and cultivated regularly in the work of parliaments.

17. In touch with the daily lives of their peoples, parliamentarians can give a more social dimension to the conventional rules of international trade. Moreover, their involvement upstream, in the various stages of negotiation, can help to gain time downstream in smoothing the way for ratification, avoiding the interminable parliamentary battles that sometimes, in some States, lose sight of the actual texts being discussed. States sometimes find themselves embarking on a new round of negotiations even when the previous round has still not been ratified.

18. The second step is to keep parliamentarians regularly informed about the negotiations being conducted by States within the WTO, so that representatives of the people can make that information publicly available. Clearer, more readable rules and information about the economic issues at stake would contribute to greater public acceptance of the system.

19. The third step is to enhance parliamentary oversight, defined as “the analysis, monitoring and control of action by government and public agencies, including the implementation of policies and legislation.” Such oversight focuses on the objective and nature of the activities concerned. It encompasses the work of parliamentary committees and plenary sessions as well as hearings held during the parliamentary phase of legislation and budgetary approval.

20. In order to promote peace through international trade, the role of parliaments in overseeing governments, whatever form that role might take, must ensure that agreements are negotiated based on the interests of the people (which would justify a parliamentary presence during the negotiations) and that government authorities effectively and equitably apply the policies negotiated.

Conclusion

21. In conceptual if not practical terms, the new approach to human security is to admit that security and peace are social goods that are not the monopoly of, and may even be threatened by, the State. It is urgent to recognize and support the role that the WTO can and must play, in cooperation with other relevant institutions, in combating the financing of conflicts through trafficking in natural resources. Parliamentary diplomacy needs to contribute to the rules of international trade by endeavouring to strengthen human rights, particularly economic rights, and by organizing independent inquiries into the legitimacy of current rules.

22. In each of our States, parliaments are the political institutions that remain closest to the people, so their role in gaining acceptance for government decisions is decisive. Inasmuch as international trade rules often appear inappropriate and disconnected from local realities, greater parliamentary ownership would help to improve their clarity and thereby contribute to a more just society. In taking such ownership, however, and in order to enhance the interdependence of our societies, parliamentarians must themselves be sufficiently well informed about and sensitive to the stakes of international trade.