

---

ANNUAL 2015 SESSION OF THE  
PARLIAMENTARY CONFERENCE ON THE WTO

***WTO at the age of 20***

Geneva, 16-17 February 2015

---

*Organized jointly by the Inter-Parliamentary Union and the European Parliament*

Item 5

PC-WTO/2015/5-R.1

26 January 2015

**CONVEYING THE BENEFITS OF THE WTO TO A WIDER PUBLIC:  
THE CASE OF CONSUMERS AND YOUNG PEOPLE**

***Contribution by Ms. E. McClarkin (European Parliament)***

Ladies and Gentlemen,

1. When the WTO was founded in 1995, a young consumer lived in a very different world to the one he or she lives in today. To watch the latest film consumers would have to wait until that film opened in their territory and would have to make sure they didn't miss its run in the cinema, or they would have to wait, in some cases several years, before they would be able to rent the video or for the film to show on the few terrestrial television channels that were available. Now, that same consumer can watch films, any time they want, anywhere they want, over and over again just by subscribing to an on-demand video service, with new films becoming available only months after their cinema release, and in many cases, whilst they are still being shown in the cinema in other parts of the world. This is not just the case for films. Music, computer games, fashion, all these industries have changed beyond recognition for consumers and young people over the last 20 years.

2. Today's young person is an international trader in their own right. They can sit in their bedroom and order virtually anything, from virtually anywhere in the world and have it delivered to their front door in a matter of days. They can also sell anything they want, to a global audience from the comfort of their bedroom.

3. They are also no longer confined to national borders when it comes to sharing a joint passion for a particular subject. Be it sport, music, art, or any cultural or professional activity, a modern young consumer can communicate with millions of like-minded people across the world in seconds and can exchange goods, services and ideas with a global community. This has created a market for every niche product that previously struggled to find its way onto crowded shop shelves or onto limited TV schedules. Now previously niche products have global fan bases running into the millions.

4. The internet and global trade have together transformed the landscape for young people and for consumers in a way I suspect few thought likely when the WTO took its first steps along the road to trade liberalisation twenty years ago, following in the footsteps of its predecessor, the GATT. The consumer has virtually unlimited freedom and choice and with it limitless new opportunities. But this dividend is not limited to consumers. Producers, entrepreneurs and inventors throughout the world also have potentially limitless opportunities to sell their products to billions around the globe.

5. Yet, despite the fact that the world has never been more globalised and connected and that young people stand on the brink of the most exciting time to be a consumer in the history of our planet, most people are completely disconnected from and understand little about the intricacies of international trade, or the fact that it is international trade which makes this new reality possible. In the past few years we have seen an increasingly vociferous opposition to free trade, we have seen trade made out to be the scapegoat on which all manner of ills can be blamed. However this is often based on an information gap, a lack of understanding as to what trade liberalisation is trying to do and what it isn't doing. We have seen this in the negotiations between the EU and the USA for a deal on Transatlantic Trade and Investment Partnership. In response to public concerns as a result of this information gap, governments around the world have increasingly been pushed into flirting with protectionism.

6. Yet very few people have stood up, or continue to stand up against these arguments, to advocate the benefits of trade. Especially the benefits for our young generations, which are not solely confined to young people as consumers, but also to young people as future employees, future inventors, future entrepreneurs. The argument is often made quietly, behind the scenes, in a technocratic way which resonates little with young people.

7. This is despite the fact young people are generally positive to free trade. A recent poll in the European Commission about attitudes to trade found that those in the age range 15-24 were more positive about trade than any other age group<sup>1</sup>. This represents a growing yet largely untapped demographic which policy makers should be giving more attention to.

Ladies and gentlemen,

8. Trade liberalisation can provide huge benefits, particularly in terms of poverty reduction and job creation for all countries. Despite this, in the developed world, too often trade liberalisation is portrayed negatively, as a threat to certain industries or to our current wealth. The positive argument, which has a waiting audience in our young, increasingly internationally focused younger generations, is reduced to technical explanations of GDP growth.

9. Youth unemployment is unacceptably high in virtually every corner of the globe. Young people are finding it increasingly difficult to find jobs and governments throughout the world are using all means possible to create new jobs for an ever increasing workforce. Yet we know that one of the biggest drivers of growth and job creation is an increase in trade. The European Commission estimates that in France 390,000 jobs are reliant on exports to the United States alone, and that a successful TTIP agreement between the EU and USA could increase this figure by 10%<sup>2</sup>. That is nearly 40,000 jobs created in one country as a result of one trade deal. Imagine the jobs dividend, throughout the world, if the WTO could deliver a similar global deal.

10. We need to make this argument in a more robust, confident way and the WTO should be at the forefront of this process. It should be engaging far more strongly in the argument and it should be reaching out in a way that the United Nations has very successfully done over the past decade.

11. We need young advocates for trade. We need to put a human face to the technocratic arguments about job creation and GDP increases. The United Nations have a number of high profile Ambassadors. We should be looking at creating more high profile trade ambassadors who can go out to all corners of the globe and spread the message that trade creates prosperity and opportunity. The WTO should build on and strengthen its Youth Trade Ambassador programme, so that we have more spokespersons who can connect directly with young people<sup>3</sup>.

12. The means of communicating have also changed significantly over the past 20 years. The WTO can't rely on outdated methods of communicating the benefits of trade, especially to young people. Although poster and information campaigns still have a place, the cost of marketing and advertising is a fraction of what it was in the 1990's thanks to social media advances. Today, a well-conceived social media campaign can reach billions across the planet for virtually no financial outlay. Young entrepreneurs throughout the world already use these sites to build businesses from scratch. The WTO and advocates of trade globally need to be taking advantage of the benefits of social media platforms, be it Facebook, Weibo, Twitter, Mixi, Youtube, Spotify. These are the modern means for disseminating mass information and as today's young people get older, they will increasingly become more dominant in these spheres. With a little creativity, they allow for modern information campaigns to be done at a fraction of the price of traditional marketing methods.

13. However, it is not just about getting the information out there. The WTO also has to meet the challenges of the modern world. Trade rules are still outdated and increasingly are a source of frustration for young people who regularly cross borders. The WTO needs a global deal that will turn some of the more challenging elements of the global trading system into opportunities for young people and for consumers.

---

<sup>1</sup> [http://ec.europa.eu/public\\_opinion/archives/ebs/ebs\\_357\\_en.pdf](http://ec.europa.eu/public_opinion/archives/ebs/ebs_357_en.pdf)

<sup>2</sup> Commissioner Malmstrom, Le Figaro (15/12/2014)

<sup>3</sup> [http://www.wto.org/english/forums\\_e/students\\_e/youth\\_amb11\\_e.htm](http://www.wto.org/english/forums_e/students_e/youth_amb11_e.htm)

14. With high youth unemployment, many young people, bolstered by the advances made in international trade, look to work outside of their home country. Yet for many their chances are often blocked because there is still very little recognition of qualifications gained in other countries. There are occasions when these restrictions on the portability of qualifications are necessary and understandable, but there are also many times when they make little sense and serve only to reduce the opportunities available globally to a young person.

15. When consumers, buoyed by the notion that they can order anything, from anywhere at the click of a computer mouse, try to order an item from another country which costs more than around €170 they suddenly and quite unexpectedly get contacted by their local tax authorities and are forced to pay an extra tariff which they never expected. Apart from making their purchase more expensive, and much more bureaucratic, they will naturally assume that ordering from abroad is more problematic than it's worth. This process needs to be made simpler, either by raising the level at which import tariffs are paid, by reducing tariffs altogether or by allowing the tariffs to be paid at the point of purchase with clear information available to the buyer. The WTO Trade Facilitation Agreement, which requires countries to make easily accessible information available is a welcome first step.

16. The WTO needs to be more ambitious in these two areas, otherwise young people will conclude that trade policy itself is restricting their opportunities, both as consumers and as employees. The WTO should ambitiously encourage the reduction of tariffs on consumer goods and the portability of qualifications wherever possible, particularly for service providers under the GATS. Moreover, given that trade does not operate in a vacuum, the WTO needs to work closely with other organisations such as the World Customs Organisation on customs matters and international professional bodies in order to encourage more recognition of qualifications and disciplines so that young people can benefit in a concrete manner from international trade. The WTO could also be more proactive in highlighting to consumers, around the world, the cost of buying or selling goods into other countries and providing information for consumers and companies to make the process simpler.

17. We know that trade is an enabler. The recent EU-Korea free trade agreement has seen EU exports to Korea increase by 30%, but without a wider information campaign that explains current trading rules in a simpler and easy to understand way, people will simply shy away from international commerce believing that it is just more hassle than it is worth. This will fatally undermine the goals of the WTO.

18. However, the WTO can't do this alone. They can't do it without the help of national governments and their parliaments. We should be setting up networks of young parliamentarians around the world to advance this and many other issues which affect young people. Young politicians should be talking directly to other young politicians. In the European Parliament, we already have a youth organisation, EU-40, which all young parliamentarians can join. Youth issues are often similar throughout the world, and setting up parliamentary networks can be a powerful force for change at a global level.

19. We should also look at education systems. Trade policy, despite being a key driver in poverty reduction, job creation and individual prosperity, is not an academic subject in school or university systems around the world. It is often discussed as a module in other academic fields such as international relations or economics, but it is rarely taught as a standalone subject, and never, as far as I am aware is it taught as a standalone subject at school level. If we want greater understanding of international trade around the world, we need to teach it to our young people and make it appealing to them. If we don't the current information gaps which exist and which are used to peddle myths about international trade will persist, and if anything, will get stronger.

This brings me to my conclusion

20. There is much we can do to sell the benefits of trade to young people and to consumers. Young people are more positive about trade than other generations and consumers by definition take advantage of the wide array of goods that global trade can provide. Yet, to better convey the message, we need to tackle the irritations in the current global trading system which dampen

enthusiasm for trade and increase cynicism. The portability of qualifications and changes to how import duties are levied on private consumers are two key areas which should be addressed. Trade rules need to be communicated more clearly to the average citizen; ways of accessing that information need to be made more accessible. The WTO needs to be more confident and ambitious in how it portrays itself. It could employ more Youth and Trade Ambassadors, possibly using well known global figures and successful young entrepreneurs who have themselves benefitted from the liberalisation of trade rules over the past 20 years. It also should take more advantage of modern social media platforms to express the virtues of trade through mediums that appeal to young people.

21. The WTO is in the same position as many of the world's young entrepreneurs. It has an idea, and it needs to sell its idea to a global marketplace where it is challenged by competing ideas. It has the unique opportunity of taking advantage of the very same technologies and mediums that its rules have helped to bring into existence. It should be bold and confident in its message and, just like any other ambitious 20 year old, it should have faith that it has the right ideas to change the world for the better, it just needs to communicate them well to win the argument.

22. Trade aids the realisation of young peoples' aspirations, be they to innovate, educate, help developing countries eradicate poverty, tackle climate change or the security of a livelihood as well as the tools to become entrepreneurs, break down cultural barriers and to become truly global. This is our challenge. Let's go out there and do it.

Thank you for your attention.