

## WTO Public Forum 2014 REPORT ON SESSION WS6

### Title of the session

Parliamentary session: Post-Bali agenda: where does parliamentary oversight fit in?

### Abstract

Parliaments have various institutional mechanisms for providing effective democratic oversight of the multilateral trading system as embodied by the WTO. They oversee international trade negotiations and scrutinize implementation of the commitments entered into by governments. As representatives of the people, parliamentarians are well placed to listen to and convey to the WTO the concerns and aspirations of citizens, businesses and other stakeholders. At the same time, legislators bear a share of the responsibility for ensuring that the benefits of trade are fairly distributed and help reduce poverty and inequality.

Given the difficulties encountered by the WTO in the implementing the Bali Package, it is crucially important to mobilize the global parliamentary community in support of efforts to revive the Doha Round. The panel considered policy responses to meet this challenge.

### Summary of the main points raised by the panellists

In his introductory remarks, the moderator, **Mr. Ravi Kanth Devarakonda**, Inter Press Service correspondent in Geneva, pointed out that parliaments provided democratic oversight of the multilateral trading system, of which the WTO was the custodian. The agreements reached in Bali required implementation measures, but negotiations were not advancing. The moderator hoped that the panel, composed of three parliamentarians and one academic, would provide a wide perspective on these questions.

#### **Mr. Bernd Lange, Chairman of the Committee on International Trade of the European Parliament**

Mr. Lange started by saying that, in politics, one season was a long time. The subject of the post-Bali agenda had seemed to be burningly topical half a year ago, when the Steering Committee of the Parliamentary Conference on the WTO had been looking at a possible theme for the parliamentary session at the WTO Forum. Today, however, that same subject appeared as exceedingly optimistic.

Parliamentarians had a role to play with regard to engaging the public in the discussion on international trade. A recent study, conducted by the Pew Research Institute in 44 countries on the subject of "faith and scepticism about trade", revealed that, while trade was viewed mainly positively in developing countries, the contrary was true for most developed countries. There was a clear need for better communication about the benefits of international trade.

It was a matter of personal conviction for the panelist that trade should be fair and free. To that end, the trading system had to be rules-based, transparent, and free of distortion and discrimination. At the same time, it had to uphold sustainable development, social inclusion and human rights. The one-size-fits-all approach was not applicable: trade agreements required differentiated implementation aligned with the development needs of countries. The

regional economic partnership agreements signed by the European Union (EU) with African countries were examples of this.

Parliamentarians had to scrutinize trade agreements and hold the WTO negotiators to account, ensuring that trade was used as a vehicle for broader public policy goals. An open trading system, supported by the necessary regulations and directed towards benefits for all, was the best hope for improving living standards, fostering development and giving trade a human face.

**Ms. Arancha González, Executive Director, International Trade Centre**

As an expert on trade issues with a background in EU politics, Ms. González considered that effective parliamentary oversight of trade policies was extremely important in a democratic society. There were three reasons for that: the interrelationship between trade, growth, jobs creation and poverty reduction; the role of trade in creating losers; and the impact of trade on societal goals such as sustainability, labour rights, energy security and health. These issues were of direct concern for parliamentarians, including in terms of coherence between trade and other domestic policies.

Parliaments were about good trade politics, but those in turn required good trade policies based on deep understanding of the underlying issues and the technical nitty-gritty of trade talks. Legislators should be acting in the interest of all stakeholders, including small and medium-sized enterprises – a requirement that was often overlooked in trade talks.

In terms of inclusive development, it was also important for parliaments to keep in mind the needs of women and youth. It was not by chance that women entrepreneurs were known to reinvest 90 percent of their revenues in their respective societies, communities and families.

**Mr. Kil Jeong-woo, Member of the National Assembly, Republic of Korea**

One year ago, when the Ministerial Conference in Bali had been still under preparation, the prevailing mood was pessimistic. The positive outcome of the Bali Conference changed the picture: it heralded a new era for the WTO as the organization's first accomplishment in many years, and the Trade Facilitation Agreement (TFA) was seen as a promise to create 12 million new jobs.

The sense of urgency had since been lost, as evidenced by the missed deadline for the TFA amendment protocol. Parliamentarians had their share of responsibility for the situation because their real work – oversight at home – had not been done properly and they had not put sufficient pressure on governments. The key point at the moment was therefore recovery of trust through public dialogue.

The panelist also saw a risk in less attention being paid to the WTO as a result of the purported preeminence of regional trade accords, such as the Trans-Pacific Partnership currently being negotiated. It was vitally important for parliamentarians to be better informed of such processes, including by holding targeted sessions and hearings in parliament. The WTO could also try regaining public attention by organizing regional public fora (starting with Asia) aimed at groups that were different from those usually targeted in Geneva.

**Mr. Helmut Scholz, Member of the European Parliament**

The panelist stated that the WTO was operating under a general assumption that trade benefited everybody. However, twenty years after WTO's creation, parliamentarians and other stakeholders, such as trade unions and civil society organizations, wanted to see proof that the original promise had been kept.

One of the points of divergence was trade in agriculture. In some regions of the planet, supermarket shelves were heavily loaded, while in others hunger and malnutrition affected more than 800 million persons. Valuable agricultural lands were being used to grow export crops to the detriment of food security, and land-grabbing by foreign investors was widespread. Markets and WTO rules clearly failed to deal with that problem. The panelist hoped that the existence of the parliamentary dimension of the WTO would help bring these issues to the forefront.

The EU and United States authorities were subsidizing their farmers and, at the same time, used WTO rules to stop such practices by other governments, as in the case of India. The agricultural sector needed to be systematically developed through a combination of ecologically and socially sustainable production patterns and with a view to protecting rural populations. The primary consideration should be to satisfy local and regional demand, not global markets. Every tenth member of the European Parliament had already pledged support for the Alternative Trade Mandate, which was initially developed by non-governmental organizations. Food should not be treated as any other commodity. For the WTO, this would be a major change.

New approaches were also needed in terms of trade in industrial goods. The pro-poor growth model exercised by China was a good example. At it happened, economic cooperation with China and not wage dumping was helping German industry to keep afloat. Globalized production and value chains should not be seen separately from related social and environmental problems. Neglecting this factor led to huge imbalances, with the upper 20 percent of population earning five times as much as the bottom 20 percent. As a member of the European Parliament, he was in favour of adding social and environmental dumping to the list of incidents that could trigger trade defence instruments.

**Summary of the discussion**

The ensuing discussion was very lively, with an active exchange of questions and answers between the panellists and the audience.

In conformity with the overall title of the session, several participants referred to the stalemate in the post-Bali negotiations and in particular the TFA dossier. While the majority of speakers insisted that it would be counterproductive to reopen the debate about the outcome of the Ministerial Conference in Bali, others spoke in support of the position of India and appealed to parliaments not to ratify trade agreements blindly.

Among other recurring subjects were those of free trade versus fair trade, the need to treat agriculture as a subject that was qualitatively different from others, non-tariff barriers to trade, the transparency of trade negotiations, and trade as an agent for accomplishing the common global good. A concept referred to particularly often was the link between trade policies and trade politics, initially introduced by Ms. Arancha González.

Most delegates identified themselves as members of parliament. The question of the role of legislators vis-à-vis the WTO and international trade in general was therefore a natural keynote of the debate.

Most participants stressed the responsibility of members of parliament in overseeing global and regional trade negotiations, including through direct contacts with negotiators. Some participants, however, were of the view that "parliamentarization" of the WTO could further complicate the situation, especially since the WTO functioned by consensus. The prevailing view was that, at a minimum, ministers should listen more closely to the opinions of parliamentarians and civil society. For their part, legislators should constantly monitor implementation of agreements and – as an ultimate measure – not approve immature trade deals.

### **Conclusions**

Closely linked to the process known as the Parliamentary Conference on the WTO, the parliamentary session, which was organized by the IPU and the European Parliament, proved to be a valuable addition to the programme of the WTO Forum. It attracted parliamentarians from many countries, was rich in substance and interactive in form.

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