

Organised by CUTS International, Jaipur  
*Seminar on*  
**Significance of Indian Proposals on Strengthening the WTO**

*And Book Release*  
**Reforming the World Trade Organisation: Developing Countries in the Doha Round**

November 21, 2009, New Delhi

**Event Report**

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1. Cuts International organised a panel discussion in New Delhi on 21 November, 2009 with the objective of receiving and collating feedback from a select group of experts on the latest proposals circulated by India on 'Strengthening the WTO'. During the event, a book titled 'Reforming the World Trade Organisation: Developing Countries in the Doha Round' authored by Faizel Ismail, Head of South African delegation to the WTO, and jointly published by CUTS and Friedrich Ebert Stiftung (FES) was released.
2. In his opening remarks, Pradeep S Mehta, Secretary General of CUTS international said that the WTO reforms are a topical subject containing a vast range of issues to be covered. The book written by Faizel Ismail, he said, covers many of these important topics and holds important implications for the future development of WTO. The most vital feature of the book, according to him, was the stress on enhancing the participation of developing countries in the multilateral trade regime.
3. Sharad Joshi, Member of Parliament, Rajya Sabha, released the book with the remarks that it is a commendable and timely output.
4. Faizel Ismail, the author of the book, thanked CUTS and FES for supporting him in completing this book and gave a brief overview of its contents. He opined that developing country coalitions in the WTO such as the G33, the NAMA 11, the Africa Group, the ACP, the LDC Group and the G 110 , in which India has played a crucial role, have provided an enduring bulwark against another unfair and imbalanced deal for the developing world such as that emerging from the Uruguay Round. The book has documented the history and evolution of these coalitions and drawn lessons for increasing the participation of developing countries in the WTO process.
5. Giving a precursor to the theme of the panel discussion, he said that several members have tabled proposals for the reform of the WTO, with India which has tabled 5 proposals on systemic reforms in the lead.. These ideas, though not exhaustive, need to be debated and discussed amongst governments, civil society and global governance institutions. Meaningful reforms should follow, and as suggested in the book, with the objective of establishing development as the overall high level goal of the WTO through enhancement of coherence between the WTO and its sister organisations in the UN and the Bretton Woods institutions.

6. Faizel Ismail's speech was followed by the panel discussion on the *Significance of Indian Proposals on Strengthening the WTO*. The distinguished panel consisted of the following experts:

Moderator:

**Pradeep S Mehta**, Secretary General, CUTS International

Panelists:

**Sharad Joshi**, Member of Parliament, Rajya Sabha, Parliament of India

**Amarendra Khatua**, Additional Secretary, Ministry of Commerce and Industry, Government of India.

**Anwarul Hoda**, Professor, ICRIER & Former Deputy Director-General, WTO

**Manab Majumdar**, Senior Director & Team Leader, WTO & Foreign Trade Division, Federation of Indian Chambers of Commerce and Industry (FICCI)

**R. V. Kanoria**, Chairman, ICC Trade Commission

**Faizel Ismail**, Head of the South African Delegation to WTO

7. Pradeep S Mehta gave a short background and introduced the panelists. Amarendra Khatua, representing the GOI and the first of the panelists to speak, introduced the 5 proposals included in India's communication, which are (A) Trade Information System, (B) Revitalising WTO Committees, (C) WTO's Engagement with RTAs, (D) Legal Instrument for Preferential Market Access to LDCs and (E) Primacy of International Standards and Standard Setting for WTO Obligations. He stated that these proposals are by no means complete and India's intention is to instigate further talks to improve these ideas for implementation.
8. Following the introduction of the proposals, each of the panelists took turns to express their opinion on the same. They discussed the argument put forward by certain WTO scholars that the failure of WTO talks is fundamentally rooted in its structure (could be legal structure as well as organizational structure) which need reforms so that there is balance of power. Moreover, this argument is gaining currency as the WTO talks proceed from one failure to another. But on the other hand, there is a counter argument against the tabling of reform agenda at this stage on the grounds that this would constitute too much of a burden for the negotiating members at this stage when the priority is on concluding the DDR. Therefore, talks about reforms have been for a while happening outside the WTO, in academic circles and through discussions of select stakeholders. The panellists in general were in favor of bringing reform talks to the WTO fold and felt that India's initiative is a very bold step in this direction.
9. R V Kanoria and Manab Majumdar, representing industry, welcomed India's initiative on the grounds that these reforms might hasten the conclusion of DDR and thus benefit industry. They also noted that industry representatives worldwide have been pushing for reforms in certain key areas. According to them, industry associations in general want the WTO to go beyond reforms proposed by India. But the Indian proposals have been deliberately kept general and touch only non-controversial issues so that full support can be leveraged, with a consequent high probability of these being tabled for discussion.
10. From a practitioner's point of view, Anwarul Hoda said that the proposals lacked coherence and conviction with each one going in different directions, and also that the proposals are a little bit too ambitious with an omission of development dimensions. He

analysed the proposals from the point of view of implementation. In regard to trade information systems based on member notification, he said that the idea is appealing but its practice is difficult. First, it is difficult to ascertain a pattern in notifications filed by members, essentially because the disciplines under non-tariff issues are vast and non-homogenised. Moreover many LDCs and developing countries do not have the capacity [under-staffed missions or no permanent mission at all] to file them. Even those having the capacity are reluctant to file because of difficulty in follow up.

11. On the issue of revitalising WTO committees, Anwarul Hoda mentioned that the basic problem stems from disagreement on the exact meaning of 'revitalisation'. The question is how to determine the exact responsibilities to be undertaken by committees.. Given that WTO is a member driven organisation, transferring more and more duties to the secretariat may not be advisable. However, Faizel Ismail responded that the, informal nature of the decision making process at the WTO, as reflected by the Green Room and the concentric circle approach, is thwarting inclusiveness. Thus, according to Ismail, transferring more responsibilities to the secretariat may be a good suggestion.
12. Regarding the introduction of an omnibus legal instrument for facilitating preferential market access to LDCs, Hoda said that the use of a single instrument for facilitating different kinds of preferential access to LDCs has been initiated not only outside the WTO by different development institutes, NGOs etc but also, though to a lesser extent, within the WTO. Therefore, such an introduction might be redundant. If integrating all different schemes with one legal instrument is the intent, then such integration may undermine several vital development needs of LDCs as each individual instrument is designed with a set of specific purposes and one instrument may fail to meet them all.
13. The proposal on improving WTO's engagement in RTA's was widely discussed by the panellists with arguments for and against it Anwarul Hoda opined that this proposal is tied to the vast academic and policy literature and related discourse on the role of RTAs in multilateral trade liberalisation which however has not generated any definite conclusions. It should be remembered, he pointed out, that rise in the importance of multilateralism since 1995 has been accompanied by an increase in the number of RTA's and at an increasing pace. This is because of the geopolitical dynamics underlying the formation of RTA's. He felt that even if the WTO works out a code of conduct for RTA's, it would most likely remain in paper. The best that can, therefore, be done is to study, monitor and assess the developments on the RTA front, which is already being done both within and outside the WTO.
14. Manab Majumdar discussed the role of RTA's, summarising the main arguments from the literature and suggested that the Indian proposal on this topic is worth pursuing. He countered Hoda's argument by clarifying that the proposal is not prompting the WTO to take a stand against or for the formation of new RTA's but only recommending monitoring and assessment of the development of RTA's. Such a role would help the WTO promote RTA's in a constructive manner. The WTO can play a guiding role in regard to RTA's formed by its members without legally restricting the members in any way. He put forward certain important suggestions for improving this proposal.
15. Discussing the fifth proposal on reaffirming primacy of international standards, Anwarul Hoda suggested that the right time for raising this issue is the next Round and went on to imply that such primacy needs no reaffirmation but only pursuit with more vigour. Deciding upon WTO standards should not be part of a single undertaking. According to

R V Kanoria, this is probably the most important amongst the proposals because the industry faces stringent rules of international standard setting bodies which are heavily biased towards the north and need immediate correction.

16. In the floor discussion which followed, there were many additional suggestions and clarifications on the points raised by the moderator and the panellists. Bipul Chatterjee of CIRC raised the issue of NTMs being prematurely called NTBs. He raised three points: (1) the sheer size of NTBs makes it impossible to notify; (2) the position on NTBs could be very subjective as there are NTBs which are essential for development needs; and (3) 'tariffication' may be the best option for an integrated database but there are no studies which provide good suggestions for tariffication. Pranav Kumar of BHC, Nitya Nanda of TERI, New Delhi and others raised several points regarding WTO's approach towards RTA's, revitalisation of committees and introduction of omnibus legal instruments.
  17. In conclusion, Pradeep S Mehta, highlighted the major points which emerged from the discussion and thanked the panelists and the participants on behalf of CUTS International and FES. He mentioned that CUTS is planning another round of discussions on this topic during the seventh Ministerial Conference in Geneva and expressed the wish that outcomes of these discussions would help to advance the proposals and push them towards implementation.
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