



Multilateralism tested in the WTO

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After years of complex negotiations leading up to the Bali agreement, the WTO has reached yet another stalemate. In a European Parliament's INTA Committee meeting on Wednesday 24 September 2014, EU Ambassador to the WTO Dr. Angelos Pangratis warned that though the EU remains strongly committed to finding a multilateral conclusion within the context of the Bali agreement, if a solution to the current stalemate is not reached quickly, the push by some WTO members towards plurilateral options will become irresistible.

In December of 2013, the WTO reached what was widely seen to be a historic agreement, when 158 countries successfully concluded their first multilateral Agreement in two decades. Unfortunately this positive excitement was short-lived. Only seven months later, India's newly elected government blocked the process by pegging the signature of the protocol on Trade Facilitation, which should have taken place by the end July of 2014, to its long standing demands that its food stock-piling programme becomes immune from possible WTO incompatibility challenges.

Ambassador Pangratis underlined that the Bali package should not be seen as a lucky coincidence but as a result of a process of transformation in the way the organisation works. When it became obvious,

back in the Ministerial Conference of the WTO in 2011, that efforts to conclude the broad Doha Development Agenda, which included ambitious liberalisation targets on agriculture, industrial tariffs, services and rules, could not be successful, Members of the WTO decided to work within a more flexible interpretation of the single undertaking principle and turned to realism adopting a "progress where progress could be made" attitude. The successful outcome in Bali proved that this new bottom-up way of negotiating, where impossible "red line" issues are left aside in favour of converging points of interest, was much more efficient. The results were evident and appeared, in December 2013 at least, very promising. The reinvigorated WTO membership in Geneva even set itself the target of adopting a work programme for the remaining issues of the Doha Round by the end of this year.

But this prevalent realist and positive attitude may not be enough to salvage the multilateral process. India has in effect blocked the signature of an agreement that has already been reached, over domestic concerns.

The extent to which this negative position is political and tactical is evident when one considers that most of the requests of substance presented by India (and very few other developing countries) concerning the public stockhold-

ing programmes are not opposed directly by other WTO members. On the contrary, there is a general willingness to engage seriously on these matters, separately. What members cannot accept is to start re-negotiating what was agreed by Ministers in Bali. Without a multilateral solution of the current impasse, the pull towards plurilateral alternatives risks to quickly become very strong.

It is important to note that other international trade issues are already being treated separately on a plurilateral level. This is the case for example of TISA (Services), or ITA (Information Technology) expansion or the "Environmental goods initiative". But dealing with a failed Trade Facilitation Bali agreement in such a manner would be altogether different.

As Ambassador Pangratis, reassured, expecting a reform around the WTO's rule of unanimity to avoid stalemate is not in the picture. However Ambassador Pangratis also argued that going to a plurilateral option for the Trade Facilitation Agreement agreed in Bali, on what is in essence an accepted multilateral agreement related to one of the core issues of the WTO, would necessarily initiate a profound discussion in the WTO on the organisation's future and functioning, with all the transformative implications that it could bring.

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