

Sansad TV Perspective: WTO Reforms

In the series Sansad TV Perspective, we bring you an analysis of the discussion featured on the insightful programme 'Perspective' on Sansad TV, on various important topics affecting India and also the world. This analysis will help you immensely for the [IAS exam](#), especially the mains exam, where a well-rounded understanding of topics is a prerequisite for writing answers that fetch good marks.

In this article, we feature the discussion on the topic: WTO Reforms.

Video link: <https://youtu.be/a1dR584ZEWA>

Anchor: Vishal Dahiya

Participants:

1. Dr. Jayant Dasgupta, Former Ambassador, WTO
2. Prof. Murali Kallummal, Centre for WTO Studies, IIFT
3. A.K Bhattacharya, Editorial Director, Business Standard

Context:

The [WTO](#) acts as the apex body for framing rules of international trade and facilitates dispute resolutions to buffer the consequences of trade disputes and reduce trade wars. The onset of the US-China trade war led to the foundation of a new geopolitical trend that had significantly influenced international trade. With the progress of time, organisations like the WTO saw the decline of its acumen to address the issues born out of trade disputes and the growing disagreement between developed and developing countries and it has failed to provide a meticulous framework for fair trade practices. The present time has necessitated the reformation and reassessment of administering affairs by the WTO. The 12th Ministerial Conference of WTO is going to witness an important discussion on the reforms that are required to revive the functionality of the organization to tackle various challenges and pressures.

India's Relation with WTO:

- Ever since the inception of this organization, India has been an active participant in its affairs and policies and played a crucial role in raising the concerns and demands of developing countries. This makes the anticipation and analysis of WTO reforms an essential context.
- India's stand on the consequences of issuance of compulsory licenses of essential pharmaceuticals in accordance with the [TRIPS](#) agreement in the Doha round was commendable. This shows the indomitable leadership role played by India.
- Reforms related to WTO are of immense significance to India's growing demands and businesses.

- India always worked towards a multilateral trading system that offers a fair, open, transparent and balanced level playing field in the interests of the developing and least developing countries.
- There have been efforts made by India to change the WTO subsidy rules in order to involve developing countries in public food stockholding to ensure food security.

Key Elements of the Ministerial Conference:

- It was rightly pointed out by an expert that the regulation on Illegal Unreported Unregulated (IUU) fishing activities is a necessity along with a disciplined subsidy given by the countries to their fishing fleet and shall be an area of concern in the upcoming ministerial conference.
- Providing an organised approach towards domestic regulation of the services in the form of a plurilateral agreement which will assure the same benefits to all the 164 members of WTO.
- The ministerial conference will take up the major issues that surround the domestic and agricultural subsidies, market access opportunities, e-commerce and investment facilitation.
- America under the administration of Joe Biden has assured to refurbish the glory of WTO to the condition it started with.

Challenges in front of WTO:

- Over the past few years, the WTO has seen a decline in the efficiency of the multilateral trading framework wherein the largest trading partners were not following the trading rulebook of the organisation.
- Besides, there is an inadequacy in the number of judges in the dispute resolution system.
- Countries are raising tariffs unreasonably, opting for bilateral and regional cooperation which attack the very ethos of a multilateral trading set-up.
- In this changing world of extensive regional cooperation, the biggest challenge lies in the acceptance of multilateralism by the world.
- Considering an emerging economy like India and its requirements, the major area of concern would be the possibility of introducing a rule-based parity pertaining to services and merchandise trade.
- It was pointed out by an expert in the panel that WTO needs to redefine the features of developing and least developing countries.

Steps of revival for future:

- The ambiguity in terms of ad valorem tax equivalence for various products must be provided with clarity in the tariff schedule.
- The expansion of digital trade adds to meaningful negotiations in terms of international trade through e-commerce that must be brought within a proper guideline.
- There must be sufficient room for the representatives from the developing countries to the WTO secretariat.

- The rising gap between the developed and developing countries must be narrowed with effective committee level discussions.
 - Specialised mechanisms must be developed to treat commercial agriculture differently from small scale and medium farmings. This would protect the small and marginal farmers from the regulatory regime of WTO. The expert recommends government intervention to take the concerns of small and marginal farmers to the WTO platform.
 - The Government of India must intervene to establish an effective dispute settlement mechanism in the multilateral forum with strict action against the violators of trade rule indulging in unfair trade practices. This is also an integral part of the proposal put forward by the European Union.
 - The WTO must have a holistic approach in reforming its multilateralism by considering important recommendations of experts and stand firm as the vital facilitator of international trade.
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