
ANNUAL SESSION OF THE PARLIAMENTARY CONFERENCE ON THE WTO

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Geneva, 1 December 2006

Fellow parliamentarians,
Representatives of governments and international organizations,
Ladies and gentlemen.

Exactly one year has passed since our meeting in Hong Kong, which was held in conjunction with the sixth WTO Ministerial Conference. Members of parliament specializing in questions of international trade and having a professional interest in the activities of the World Trade Organization have once again gathered together for a session of the Parliamentary Conference on the WTO. This year's meeting takes place in Geneva, the city that hosts both the WTO and the Inter-Parliamentary Union.

It is a great pleasure and honour for me to be addressing you here on behalf of the IPU. Seated in the room, together with parliamentarians, are members of diplomatic missions accredited to the WTO, officials of the WTO and other international organizations, representatives of the academic community, business, NGOs and mass media. A warm welcome to all of them.

Today's audience may be similar to that of the Hong Kong session, but the mood is not. Hope and expectation have given way to concern, apprehension and doubt. The Doha Round is stalled since last July, negotiations are jammed, the main protagonists have taken a costly time-out.

As politicians, we should hardly be surprised. After all, the Doha Round is the most ambitious attempt that governments have ever made to open trade multilaterally. The scope of the Round and the number of countries involved in it are simply unprecedented, while a good part of the less complicated liberalization opportunities have already been exhausted.

In the next couple of days, we shall analyze reasons for the current unfortunate situation. We cannot hide that many of us are frustrated by lack of flexibility and by a seeming apathy in negotiations. The challenge is not technical, it is political. And, if so, the political cost of failure should perhaps be considered as the most compelling reason for reaching a deal.

We are aware that a number of "quiet exploratory discussions" are currently going on in Geneva and elsewhere and that different private soundings are also taking place. For the moment though, none of the principal protagonists seem to be ready to take the first step out of the impasse. The time factor plays against them of course: as we are often reminded, only a limited window of opportunity exists to achieve a breakthrough and complete negotiations in 2007. This window is between now and next spring.

If the current crisis in WTO negotiations is a consequence of insufficient political will, then members of parliament, elected representatives of the people, must be able to play a role in relaunching the talks.

When the Inter-Parliamentary Union and the European Parliament started to set up the parliamentary dimension of the WTO, our point of departure was the realization that the WTO had become more than a mere trade organization. Indeed, its rules and rulings extend far beyond the traditional domain of tariffs and trade in goods. They reach into such domestic fields as health, education, employment, food safety and the environment, to name but a few. This extended outreach has broad implications for parliaments.

The public is holding governments and parliaments to account for the expectation of an increasingly wealthy and prosperous globalized world, with the WTO as its central pillar of economic governance. All too often however, parliaments have to ratify the already negotiated trade agreements as an indivisible package, thus obviating parliamentary debate and oversight. If left unchecked, this evolution could cause a serious democracy deficit. We consider it indispensable that trade policies should reflect the full diversity of views and opinions and garner popular support.

It is not uncommon for the WTO to define what kind of laws legislators can and cannot pass, and establish standards that countries must meet. Effective as this system may be for trade liberalization, it imposes limits on the ability of parliaments to forge legislation according to our perception of national objectives and popular aspirations. This leads to tensions, which are further exacerbated when WTO's dispute settlement system is used to challenge national laws.

Let us state it in the most clear terms: bringing parliaments and their members into the international arena does not alter the fundamental equation. It is for governments to negotiate international trade rules and arrangements on behalf of States, and it is for parliaments to scrutinize government action, influence policies pursued in intergovernmental negotiations, ratify trade agreements, implement them through appropriate legislation and budget allocations, and oversee the implementation process as a whole.

In multilateral trade negotiations, parliamentarians should not seek to carry the same kind of state responsibilities as government delegates. Nonetheless, they can, for example, contribute to setting up negotiating opportunities in areas where government officials would normally show reluctance.

Parliament represents a political spectrum which is naturally wider and more diverse than that of government. Members of parliament have particular aptitudes to bring to the negotiating table. They are also uniquely qualified to assist in building consensus through compromise - a skill in which they are well versed. Indeed, parliamentary life is a continuous round of negotiations in which members of different political factions and persuasions form majorities and alliances that provide the foundations for constructive decisions.

In order for the parliamentary scrutiny of trade policies to be effective and meaningful, it is imperative that parliaments equip themselves with the necessary tools and information. Learning from each other, participating in inter-parliamentary exchanges and debates, engaging in direct discussions with WTO officials and trade negotiators, are all part of this exercise. We are confident that the Parliamentary Conference on the WTO provides a good framework for this.

The Conference Steering Committee has placed a number of important subjects at the heart of this session's agenda. In the course of the next two days, we shall consider the political implications of the stalemate in the Doha Round and try to draw lessons from the past and present of the multilateral trading system, from a parliamentary perspective. We shall also look

at the role that parliaments play in overseeing government action in respect of regional and bilateral trade agreements.

Trade in agriculture will once again take center stage in our debates. In fact, this theme is more topical today than it has ever been before. Food production has become such a sensitive sector for both rich and poor countries that an impasse in agriculture talks now keeps the entire Doha Round off track. The main developed countries do not seem to be able to offer reductions in subsidies and tariffs that could satisfy developing countries. Given that the current Round is focused on development and since more than 70% of the world poor live in rural areas, such intransigence leaves a bitter political aftertaste.

We are often told that there is simply no way for WTO negotiations to succeed if the existing agriculture bias against developing countries is not properly addressed. At the same time, voices are heard in favor of withdrawing agriculture from the single WTO undertaking. Can this be done? Should it be? Who would be the winners and losers? We have invited leading experts in agriculture trade to share their views with us. Our interest is not only in naming reasons for the stalemate but also in identifying possible ways forward. The debate will also be an opportunity to address the issue of responsibility of parliaments vis-à-vis agriculture pressure groups that are increasingly active in many countries.

Another topic on our agenda is the functioning of the WTO dispute settlement system. Once again, the timing seems to be right. The suspension of the Doha Round has shifted much of the attention from negotiations to dispute settlement, perceived as an alternative way of obtaining results. The system has proved capable of decisive rulings that are sometimes more relevant than the outcome of negotiations. The WTO demonstrably has the most effective dispute settlement mechanism in the entire international treaty system, and even allows for implementation problems.

However, the risk of imbalance between litigation and negotiation is real. Our debate should therefore focus on both the relative strengths and weaknesses of the WTO dispute settlement system. Of special interest is the question of whether parliaments should seek to play a greater role in the oversight of WTO litigation process.

We certainly stand to gain from the involvement of trade ministers, top WTO officials and leading experts in our discussions, including a hearing with the WTO Director-General himself. I look forward to this fruitful dialogue and take this opportunity to thank all invited guests for their readiness to meet with members of parliament at this crucial moment for the continuation of the Doha Round.

The closing sitting of our session, which will take place tomorrow afternoon, will be devoted to questions of follow-up and the adoption of an outcome document, the preliminary draft of which has been prepared by the Conference Steering Committee.

The co-organizers have invested much time and energy in the preparation of this session. I address words of warm thanks to the leadership and staff of the European Parliament - our partner in this exercise - for everything they have done to bring this process to a successful finale. We hope that the session will be crowned with success and look forward to a rich and constructive debate, in the true parliamentary tradition.

With these words, I conclude my introductory remarks and officially declare the annual 2006 Session of the Parliamentary Conference on the WTO open.