

At WTO meet, India could face pressure

HIGH STAKES. Developed nations likely to target fisheries subsidies and agriculture. India must play its cards well, else it would affect the livelihoods of the poor and food security



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With the 13th Ministerial Conference of the WTO (MC13) to be held during February 26-29, what is at stake for India? Divergence among WTO members on many issues has created considerable uncertainty about the likely outcomes at MC13. However, if the developed countries have their way, as has generally been the case in most of the previous Ministerial Conferences of the WTO, it would create considerable challenges for India and many other developing countries. The outcomes in two areas — fisheries subsidies and agriculture — could have implications for food security and livelihoods of hundreds of millions of poor and hungry in India. There is also a systemic issue — Investment Facilitation for Development — which could have an important bearing on how business is conducted at the WTO in future. What is happening at the negotiating table and what are the prospects on these critical issues at MC13?

In agriculture, India and many other developing countries are caught in a twin trap — no progress in issues of their interest, but being pushed to agree to a negotiating mandate that would promote the interests of agri-business of countries with large-scale commercial farming.

Despite the persistent efforts of India and a large number of other developing countries over the past decade, we are not closer to achieving a permanent solution to the problem of food security. The US and a group of countries having interest

in agriculture exports (Cairns Group), have blocked any meaningful progress on this issue.

No doubt, on account of the Bali Peace Clause and the subsequent 2014 decision of the WTO General Council, India's scheme of minimum price support enjoys some degree of immunity from legal challenge from other WTO members. However, repeated attempts are being made, particularly by the US and the Cairns Group, to chip away at these two outcomes. This could, in the future, put some fetters on India's public stockholding programme. In order to have legal certainty and put to rest these attempts, it is imperative that at MC13 India negotiates hard for a permanent solution to the problem of public stockholding.

While impeding any progress on the issue of public stockholding, the developed countries and the Cairns Group are making concerted efforts to secure a commitment at MC13 to initiate comprehensive negotiations on different pillars of agriculture. It is apprehended that the subsequent negotiations based on a possible MC13 mandate would witness attempts at going back to the drawing board and finalising negotiating modalities that might be very different from what were generally agreed upon during the Doha Round, which contained important flexibilities for many developing countries. With no certainty that these flexibilities would be included in new negotiating modalities, India is likely to be extremely hard put to protect

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its interest in future negotiations on agriculture. In respect of fisheries subsidies, we can expect finishing touches to be given to the negotiations on subsidies that contribute to over-capacity and over-fishing. What is on the negotiating table provides little assurance that those who are historically responsible for the problem of over-exploited fish stocks will take any meaningful disciplines on their large industrial fishing fleets. The negotiating document contains multiple loopholes that would allow countries with large industrial fishing fleets to continue to provide unlimited amounts of capacity-enhancing subsidies and other support to their marine fishers. Further, no effective discipline is envisaged on countries that engage in distant water fishing — one of the main reasons for dwindling fish stocks.

PUSHED INTO A CORNER

On the other hand, countries such as India and Indonesia, which did not create the problem in the first place, appear to have been pushed into a corner to protect their ability to grant subsidies to low income, resource poor fishers, who fish beyond 12 nautical miles. Further, an outcome based on the present negotiating text will constrain the ability of these countries to build industrial fishing fleets in the future, as they would be prohibited from providing any government support for this purpose beyond a negotiated transition period. The negotiating text, seen from a holistic perspective, would preserve the commercial advantage of countries that have large industrial fishing fleets, but would erect barriers to the entry of new players from developing countries. Clearly, the proposed agreement, as it stands today, is likely to be anti-development and pro-developed countries. Even the existing Agreement on Agriculture, negotiated during

1986-1994, is not riddled with so many asymmetries and imbalanced provisions.

The Investment Facilitation for Development text, is an outcome of a Joint Statement Initiative at the MC11 in Buenos Aires (2017) by a group of developed nations (except the US) and some developing countries. Having failed to get a consensus-based negotiating mandate on the issue at MC11, these countries decided to negotiate a text outside the WTO and bring back the final outcome to the WTO for its inclusion as a legitimate plurilateral agreement. India, South Africa and many other developing countries have not participated in the exercise on principle. Irrespective of the content of the present draft text, if it were allowed to become a part of the WTO in MC13, it would create a new paradigm for future negotiations among WTO members — jettisoning a multilateral consensus-based approach in favour of a cherry-picking plurilateral one, loaded in favour of developed countries.

In conclusion, given the high stakes involved in the negotiations on agriculture and fisheries subsidies, at MC13 we can expect India to talk tough on these issues. However, this will not be enough. In order to secure its interests and those of many other developing countries, especially on the systemic issue of the future path of negotiations at the WTO, India would also need to create a broad-based coalition of like-minded countries. India may also need to leverage its growing close political ties with the UAE, whose minister will chair the forthcoming WTO meeting, to ensure that the interests of millions of small and poor farmers and fishermen, in a large number of developing countries, are not jeopardised by the outcomes of MC13 at Abu Dhabi.

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