

Taking Issue

On the Road to the World Summit on Sustainable Development

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Trading Away the Summit!

Since its creation in 1994, the World Trade Organization (WTO) has developed into the most powerful international organization in the world. The binding dispute settlement system has made the WTO the favourite forum of the richer nations to battle out their policy conflicts. Developing countries are also more and more engaged in using the WTO mechanisms for dispute settlement. This is particularly important since the WTO deals with a wide variety of non-trade issues. Intellectual property rights, food safety standards, the privatization of services, and the very broad definition of technical barriers of trade have led to the concept of 'trade related issues.'

And the list is growing. Industrialised nations are proposing investment, transparency of government procurement and competition policy to be added to the agenda of the WTO. This means that an ever increasing share of public policy has to be subject to the free trade rules.

Last December in Doha, the Member States of the WTO have agreed to start new negotiations on further liberalization. Even though there are many uncertainties about the contents of these negotiations and the term 'Doha Consensus' is premature, the WTO has a mandate to further liberalize trade and reduce tariffs in a variety of products. That also means that the pressure on developing countries to accept new issues such as investment to be added to the WTO agenda will be mounting.

What does this mean for sustainability?

The right and the capacity to regulate is essential for sustainable development. We have to decrease the pressure on natural resources, promote renewable energy, secure the right to a sustainable livelihood for all citizens, including health care, education and jobs. The free market will not lead to the achievement of these goals without a government that can effectively control the market, both at the national and the international level. Considering the powerful role that the WTO plays in regulating the market it is of the highest importance that this organization respects the wider goals of sustainability.

The outcome of Doha does the opposite of maintaining the regulatory capacity of nation states, and securing the rights to a sustainable livelihood. Perhaps with the exception of safeguarding the right to essential medicines, the outcome of the Doha will prevent the necessary checks and balances in the global trading system truly supportive of a sustainable development. The lengthy references on trade and environment in the Doha statement look good on paper, but it is highly unlikely that the WTO will respect the goals of environmental agreements such as the Convention on Biological Diversity or the Kyoto Protocol. Even more important, the more than 200 disputes that have arisen in the first years of the WTO have all been settled on the basis of free trade, not on the principles of sustainability. It is even unclear whether the WTO will respect the basic provisions of public international law!

¹ The Sustainable Development Issues Network (SDIN) is an issues network to assist NGOs to work towards the WSSD. It is facilitated by ANPED, the Northern Alliance for Sustainability, Third World Network (TWN) and Environment Liaison Centre International (ELCI).

What is the message from the WSSD negotiators to the WTO?

The delegations of Prepcom III are remarkable supportive of the outcome of the Doha meeting. In the sections on globalization and on means of Implementation, there are several references to implement the outcomes of Doha *unconditionally*. It is striking that the chairman's texts include several references to the need to better integrate the WTO with the principles of sustainability, the needs of developing countries and the countries in transition, and the other UN institutions. There are no guarantees that the current WTO negotiations will achieve these goals, but the overall message, with the United States as the most outspoken delegation, is: Implement Doha.

How does this relate to the domestic policy of industrialised nations ?

Many people believe the dialogues between different ministries and civil society on the issue of trade have had results. To give one example, the Communication from the European Commission on global partnerships for sustainable development, adopted in February 2002 contains the following paragraph:

`Globalisation involves costs and benefits. Increased global economic activity can result in negative pressures on the environment and in risks for social cohesion if it goes uncontrolled. Intensive energy use, unsustainable exploitation of natural resources and unwillingness to add the environmental costs of production and transport are now threatening the resource base on which economic and social development depend.'

Yet, in the negotiations, the European Union takes the position that implementing the Doha round without checks and balances will lead to sustainable development. The EU is not the only delegation with this schizophrenic attitude, but it is one of the most striking examples.

Where does that leave us?

The unconditional support for the new WTO round will seriously undermine the efforts to implement a sustainability agenda. National and regional policy documents for a different model of globalization become meaningless if `implementing Doha' remains the only message from Prepcom III. It requires a major effort from civil society organizations and non-trade departments to increase the pressure on the trade negotiators. Otherwise, the WSSD outcome might just as well be printed on the WTO letterhead.

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