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Q17

"The broader aims and objectives of WTO are to manage and promote international trade in the era of globalization. But the Doha round of negotiations seem doomed due to differences between the developed and the developing countries." Discuss in the Indian perspective.

UPSC Civil Services Mains 2016 · GS II · 12 marks · International Institutions

Important International institutions, agencies and fora - their structure, mandate.

Core demand of the question

- "The broader aims and objectives of WTO are to manage and promote international trade in the era of globalization. But the Doha round of negotiations seem doomed due to differences between the developed and the developing countries." Discuss in the Indian perspective

Revision summary

The WTO sets common trade rules and dispute settlement for a globalised market.

The Doha round (2001) promised development but stalled on agriculture versus industrial and services ambition.

India needs a permanent solution on public food stockholding and a **Special Safeguard Mechanism** for farmers.

India also seeks Mode 4 services access and TRIPS health flexibilities, and resists paying first in NAMA.

If Doha dies, mega-regionals may set rules without India, so New Delhi still wants a fair multilateral finish, not a silent burial.

Introduction

The World Trade Organization, set up in 1995, is meant to write common rules, cut trade barriers, settle disputes, and keep globalisation from becoming a jungle of the strongest. The Doha Development Agenda, launched in 2001, promised that this round would put developing-country needs first. By 2016 that round looked stalled: the United States and the European Union wanted more opening in industry and services; India and many G-20 farm countries wanted a genuine correction of farm subsidies and a liveable deal on food security.

Body**Aims of the WTO, and why Doha mattered**

- The WTO houses agreements on goods (GATT 1994), services (GATS), and intellectual property (TRIPS), plus a binding dispute settlement system.
- Its broader aim is non-discrimination (most-favoured nation and national treatment), transparency, and progressive liberalisation with special and differential treatment for poorer members.

- **Doha was sold as a development round:** agriculture, non-agricultural market access (NAMA), services, TRIPS and public health, special and differential treatment, and implementation issues of the Uruguay Round.

Why the round looks doomed: North-South split

- **Agriculture:** developed members keep large domestic support and export competition tools. Developing members asked for a **Special Safeguard Mechanism** and for Special Products to protect food and livelihood security. Those asks were treated in rich capitals as a brake on 'ambition'.
- **NAMA:** developed members pushed a Swiss formula that would cut higher industrial tariffs faster. India and others feared de-industrialisation if peak bindings fell before their firms were ready.
- **Services:** India has offensive interests in Mode 4 (movement of professionals) and in some Mode 1 work. Partners offered little on visas and professional recognition, while asking India to bind more sectors at home.
- **TRIPS:** the Doha declaration on public health (2001) and the later paragraph-6 system for compulsory-licence exports were a developing-country win. Newer pressure on TRIPS-plus in bilateral deals sits outside the round but poisons trust.
- **Process:** consensus among 160-plus members, green-room exclusion, and shifting chairs made a single undertaking almost impossible. **Bali (2013)** saved a trade-facilitation deal only by parking the hardest farm fights.

Indian perspective

- India joined the WTO to lock most-favoured-nation access, use dispute settlement (as in several textile, steel and shrimp fights), and shape rules rather than only receive them.
- Food security is not a slogan for India. Public stockholding for the PDS and MSP operations can hit the old de minimis subsidy cap. At Bali, India sought a peace clause; **Nairobi (2015)** did not close a permanent solution. That unfinished file is a main reason India will not treat Doha as dead while still being asked to pay in NAMA.
- Livelihood of a large small-farmer population explains India's defence of the **Special Safeguard Mechanism**. A sudden import surge can destroy a season's income in a way that a rich-country farmer, backed by a cheque, does not face.
- India also wants more Mode 4 access and recognition of qualifications. A Doha package that opens goods and keeps professionals out is a bad bargain for India's endowment.
- India used TRIPS flexibilities in the Patents Act (**Sections 3(d)**), compulsory licensing) after 2005. It will resist a Doha-or-bilateral agenda that closes those flexibilities.
- At the same time, Indian industry and services exporters need a working WTO. If Doha dies, mega-regionals (TPP-type deals, even if India is outside) will write rules without New Delhi. That is a strategic cost.
- **India's line has therefore been:** finish the development issues of Doha; do not replace them with a rich-country 'new issues' list (investment, procurement) until the old farm and food agenda is honoured.

Discuss, do not only blame

- Developing countries are not one bloc. Some Cairns-style farm exporters want more access into India. India must still protect the PDS farmer without pretending that every tariff is sacred.
- Developed-country politics after 2008 (jobs, China shock, later Brexit talk) reduced their room to cut farm support. Deadlock is political on both sides.

- A doomed single undertaking does not erase WTO dispute settlement or existing bindings. India should still use those, while keeping the moral claim that Doha's development promise was not a footnote.

Flow diagram

WTO manage and promote trade manage and promote trade -> Doha development round
 development round
 Doha development round -> Developed NAMA services TRIPS-plus
 Doha development round -> Developing farm SSM food stocks Mode 4
 Developed NAMA services TRIPS-plus -> Round stalled
 Developing farm SSM food stocks Mode 4 -> Round stalled
 Round stalled -> India peace clause and SSM defence

Conclusion

The WTO's aim is to manage and promote trade under common rules. Doha looks doomed because developed members will not give enough on farm support and food-security stockholding, while asking developing members to cut industrial tariffs and bind services. From India's perspective the round cannot be buried until a permanent solution on public stockholding, a usable special safeguard, and a fairer services Mode-4 offer are on the table - or else globalisation's rules will be written in clubs that leave Indian livelihoods out.

Facts & figures

WTO, 1995

Successor to GATT 1947; covers goods, GATS, TRIPS and dispute settlement.

Doha Development Agenda, 2001

Ministerial launch of a round meant to place developing-country concerns at the centre.

Bali Ministerial, 2013

Trade Facilitation Agreement plus an interim peace clause on public stockholding, after a hard Indian stand.

Nairobi Ministerial, 2015

Export-competition decisions in agriculture; no permanent stockholding solution, and open talk that Doha was exhausted.

Special Safeguard Mechanism

A proposed tool for developing countries to raise duties against import surges and price falls in farm goods.

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