

# Towards a reformed World Trade Organisation

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The Committee on International Trade adopted an own-initiative report by Cristiana **MUSCARDINI** (UEN, IT) on the reform of the World Trade Organisation (WTO).

MEPs consider that it is now more necessary than ever to resume the debate on the functioning and future of the WTO with a view to the possible reform of this organisation. The European Commission is called to present **a robust initiative** in Geneva, as soon as possible, with a view to relaunching this debate, and to report to the Parliament before the end of 2008.

According to the report, the debate should focus first and foremost on the very aims of the multilateral trade system, to ensure that they are **mutually supportive and consistent with the action being taken by other international organisations**. In particular, MEPs consider that the coordination of WTO activities with those of the International Labour Organisation (ILO), the United Nations Food and Agriculture Organisation (FAO), the United Nations Environment Programme (UNEP), the World Health Organisation (WHO), the United Nations Conference on Trade and Development (UNCTAD) and the Kyoto programme on renewable energy, should be strengthened.

The parliamentary committee is of the opinion that **the most challenging requirement** will be the need for the WTO to ensure trade rules fully respect human rights law and social and environmental standards. The committee supports an analysis of social, gender and environmental concerns, including employment, workers' rights and related provisions in the future trade policy review mechanism examination of WTO members.

MEPs consider it neither realistic nor desirable to call into question the principle of consensus in the WTO decision-making process, which guarantees the equality of all members. However, they take the view that various solutions could be examined with a view to facilitating, on a case-by-case basis, the emergence of such consensus. Furthermore, they believe that the WTO's institutional structure could be improved and stress the need to **create a WTO parliamentary assembly** with consultative powers, given the WTO's lack of democratic accountability and legitimacy.

Recalling the importance of trade as an effective tool for **development and poverty reduction**, the report points out that equal and effective participation by all members, including LDCs, must be given due consideration in any reform of the multilateral trade system. MEPs insist on the introduction of **a more democratic decision-making system** in the WTO enabling an increase in the active participation of developing countries, so that they feel fully represented in the negotiating process. They support the proposal to include, as a contractual right for least developed countries (LDCs), funding arrangements for technical assistance so that they can participate meaningfully in the multilateral trading system.

MEPs also wish to see the issue of the **role of the WTO secretariat and Director-General** carefully considered and call for the financial and human means and resources available to the WTO secretariat to be strengthened. Considering that transparency in the drawing up and pursuit of trade policies represents a legitimate demand on the part of society, citizens and parliamentarians, MEPs support the ideas proposed by the WTO Director-General seeking to **strengthen the 'active transparency' mechanisms** and to monitor and supervise effectively the application of the rules and undertakings approved by the WTO members, with a view to ensuring that they are genuinely and fully implemented.

Although the WTO **dispute settlement mechanism** has, overall, fulfilled its role successfully up to now, MEPs believe that certain adjustments are necessary, in particular with regard to the implementation of the

recommendations and decisions of the dispute settlement body. They also stress the need to ensure that the Dispute Settlement Body interprets WTO rules in such a way that it takes into due account applicable international environmental and social law. Moreover, given the judicial nature of the dispute settlement procedure, MEPs support the idea that substantive meetings with the parties, special groups and the appeal body, should in future be held in public.

Lastly, the parliamentary committee calls on the WTO members to consider the idea of a **special pre-accession status** for candidate countries which, while not having yet concluded their bilateral market access negotiations with their key partners in the organisation, pledge to take on, without delay, all the obligations resulting from the application of the existing rules. The decision on whether or not to admit a new member country to the WTO should always be adopted on the basis of strictly commercial considerations, according to MEPs.