Openness and democracy in international trade

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Looking ahead to the November 2001 ministerial meeting of the WTO, the committee adopted the own-initiative report by Harlem DÉSIR (PES, F) calling for a major overhaul of the WTO's working methods. The report stressed that the current trade system was undergoing a crisis of democratic legitimacy, due in particular to the unequal participation in, and the uneven distribution of, the benefits of world trade at global level. The committee also highlighted the ambiguity of certain WTO rules and their impact on non-trade issues as well as the lack of internal and external transparency, i.e. the low level of involvement of parliaments and civil society in the work of the WTO. The report listed a number of changes which it said should be made in the forthcoming round. These included the creation of a parliamentary assembly within the WTO with consultative powers, opening the doors to the public in dispute settlement procedures and a right for NGOs to submit analyses and proposals to the various WTO bodies as well as to send observers to WTO meetings. Given that some countries did not have the resources to negotiate effectively at WTO level, MEPs stressed the need to ensure that the WTO's technical assistance and capacity-building programmes for the least developed countries helped them to defend their interests better in negotiations and to influence the formulation of trade policies. The committee said the creation of the WTO following the conclusion of the Uruguay Round in 1994 marked a radical change in the multilateral trade system. In comparison to GATT, the WTO's jurisdiction had been extended to a wide range of new areas and its rules had been strengthened with the establishment of an effective sanction mechanism. The implementation of the Uruguay agreements had given rise to serious disappointment in developing countries. The report also mentioned the concern expressed by many ordinary citizens that WTO rules could allow trade considerations to override other legitimate public policy objectives and to undermine the democratic process itself.