

## Main issues of the political debate on sustainable development and trade

Between threats and opportunities

## The vicious circle

- Is it possible to go ahead in trade negotiations without WTO reform?
- Is it possible to engage WTO reform without a positive conclusion of the Doha round?
- How to put these two agendas on the same track?

## Three issues

- what are current negotiations deadlocks?
- Where are the knowledge gaps
- What are the institutional consequences

- Since Doha multilateral trade negotiations to a standstill
- Dynamic of bilateral or plurilateral agreements
- Growing protest on trade liberalization (Europe)

## What is the origin of the deadlock

- explanation through national preferences
- explanation through the limits of institutions

Both have to be considered in the same track

## Five explanations

- 1 Protectionist bias argument : vested interests make the policy
- 2 Exception argument : some sectors deserve exceptions : essential services, food security, culture for universal reasons

- 3 The adjustment cost argument: short term social costs mitigation against long term efficiency gains
- Consequence : export maximised imports minimised

- 4 Lose - lose argument : some countries will be worse off
- 5 Collective preference argument : social fabric endangered

### What are the ways of improvement

- Production of knowledge : trade and sustainable linkages ?
- Design of participatory approaches : taking on board citizens concerns
- Supply missing information to decision makers

- Information link : « signal provision reply »
- Signal to tax payers, environment groups, consumer groups on impacts of status quo so as to overcome lobbies (\*1)
- Signal to trade partners on incompatibility of certain sectors with liberalization actual rules or with national preferences (\*2 and \*5)

- Signal to governments on compensation amounts necessary both domestic (\*3) or international (\*4) to lay out liberalization

: Negotiations' deadlocks and the information gap

| Negotiations' deadlock arguments | Signal provision reply  |
|----------------------------------|---|
| Protectionist bias               | Current impact of status quo/distribution of trade liberalisation gains                             |
| Exception                        | Scientific assessment of specific sectors' incompatibility with free market mechanisms              |
| Adjustment cost                  | Compensation amounts (equating losses and damages) and transfer mechanisms required (domestic)      |
| Lose-lose                        | Compensation amounts (equating losses and damages) and transfer mechanisms required (international) |
| Collective preferences           | Assessment of specific sectors' liberalisation incompatibility with effective collective preference |

- « Signals » does not seem efficient enough
- How to improve them?
- Better understanding on how trade impacts sustainable development and what feedback effect of sustainable development on trade.

### Blurring frontiers between institutions

- Trade provision in MEA's
- Environment and social concerns in WTO
- But environment is losing momentum : nothing new after the 1990's mobilization

- Social dimension : poverty, inequality ...is dominating the agenda
- « Policy space » debate and methodological approaches
- Development economists look for more disaggregated impacts

### Conclusions

- Institutional consequences?
- Research
- International bodies?