

1. The Nairobi Ministerial of the WTO failed to break the deadlock set by the Doha round. Do you agree? Why?

Answer:

- The topmost decision-making body of the WTO is the Ministerial Conference, (Consisting of Trade and commerce Ministers of Member Countries) which usually meets every two years. It brings together all members of the WTO, all of which are countries or customs unions.
- The Ministerial Conference can take decisions on all matters under any of the multilateral trade agreements.
- The Nairobi Ministerial saw contentions from both Developed Nations and Developing Nations on Doha Rounds. The Conference could not take further the remaining Issues of Doha Declaration.

Reasons for Failure to Break Doha Deadlock:

- Core Issue: The US and EU want to launch new negotiations while pursuing unresolved issues in agriculture and other areas outside the Doha architecture. But a majority of WTO members want to continue with the Doha negotiations.

Contention of the Developing Countries

- India has expressed disappointment over non-reaffirmation of the long-stalled Doha Round, agreement on removal of cotton subsidy altogether by 01 January 2017, and a few other provisions related to phasing out of export subsidies.
- India, China, and Indonesia on behalf of 47 developing countries, demanded comprehensive and balanced outcomes, particularly deliverables that would help resource-poor farmers in all the three core negotiating areas, viz., agriculture, non-agricultural market access and services.

Contention of Developed Countries

- The US and its supporters want a finite number of deliverables in which they themselves do not have to undertake any fresh commitments, including "export competition (in agriculture)", some limited concessions for the poorest countries and transparency-related commitments.
- The biggest demand of the developed countries is to abolish agricultural export subsidies, so as to allow developing countries to better integrate themselves into the global market.

Conclusion

- The G-33 has strongly argued the case for an effective Special Safeguard Mechanism (SSM) for developing countries and for changing the rules relating to public stockholding for food security purposes, SSM is a trade remedy mechanism that will allow developing countries to hike duties temporarily to counter the import surge and price falls in farm products.
- India wants the Nairobi meet to re-affirm the Doha Development Agenda and all Ministerial Declarations and Decisions taken since 2001, when the Doha Round was launched.

- India is concerned over the fact that the reduction in the massive subsidization of the farm sector in developed countries - which was the clear cut mandate of the Doha Round talks is now not even a subject matter of discussion, leave aside serious negotiations.

PRACTICE QUESTIONS

Answer the following Questions

1. Even though Indian federalism has matured quite a bit, with states having far greater control of their economic and political management, serious structural problems still remain. Discuss. (150 words)
2. The recent amendments to the Prevention of Corruption Act, 1988 strike a balance between enforcement overzealousness and the need for stringent action against corrupt public servants. Discuss. (150 words)