

CONSUMERS & WORLD TRADE ORGANISATION

The third ministerial conference of the World Trade Organization (WTO) scheduled to be held in Seattle, USA, later this year (1999), has generated much debate, particularly from the civil society, not only about the agenda, but also about representation to Non-Governmental Organisations (NGOs).

The civil society organizations being denied of a rightful place in the WTO has started building pressure to ensure that their views are considered before a final agreement is reached. Thanks to consumer Unity Trust Society (CUTS) of Jaipur consumers agenda has been drafted, which is supported by 25 consumer organizations of India.

The agenda contains the views and demands of the Indian consumers on nine important issues of GATT like intellectual property rights, trade in services, environment, competition policy, investments, textiles and agriculture. The agenda has been prepared for two important reasons. First to inform the Indian negotiators about the needs and thinking of Indian consumers vis-à-vis domestic reforms and international trade policy making.

Secondly the international trade policy no longer deals with border measures alone. It has bearings on domestic policy reforms as well, thus affecting Indian consumers across the board.

The agenda has been well drafted, listing out the demands both at the international and domestic levels. In fact the agenda gives a clear idea of the effects of the WTO/GATT on consumer in a user friendly language.

Despite the fact the WTO advocates transparency NGOs are denied of access to information relating to the matters of WTO. Hence the agenda demands transparency in the operation of the WTO and representation to NGOs. At the national level the agenda wants the ministry of commerce to include consumer organizations in trade delegations.

The inclusion of the IPRs in the GATT restricts trades, besides guaranteeing profits for big business firms from developed countries.

It goes against the principles of trade liberalisation as it facilitates the use of limited monopolies. Hence the agenda demands lower protection period and longer transition periods, especially in the area of patents. At the national level it is essential to strengthen a fully equipped patent system.

Recognising the benefits of including service in the multilateral trade negotiations, Indian consumers want some specific steps so that these benefits will enhance consumer welfare. The agenda calls for independent agreement on software and services that deal with the IPRs, data privacy etc. Consumer organizations have demanded removal of qualitative as well as quantitative barriers.

There is a growing concern on the effect of trade and environment particularly in developing countries. Though there is no agreement on trade and environment at the WTO, developed countries are raising environmental barriers to exports from India thereby restricting India's market access. On the other hand, issues like poverty, inequality are not getting attention.

In this background the agenda demands creation of multilateral fund for helping developing countries and least developing countries to acquire environmentally sound technologies. Consumers want the northern civil society be involved while southern agenda for trade and environment is discussed. The agenda says that the northern civil society has to pay more attention to their over consumption. At the national level, there is a need to promote Indian Ecolabelling scheme, the agenda says.

In the wake of the acquisitions and mergers of giant companies, the need for comprehensive competition policy has been felt. The objective of such a competition policy are maximization of economic efficiency, maximization of consumer welfare and to keep a check on concentration of economic power.

Consumer groups want adoption by the international community a mechanism to control anti-competitive and restrictive business practices of transnational corporations. They say that the competition policy must be matched by comprehensive consumer protection measures as detailed in the United Nations Guidelines, 1985. It also demands a review of the Monopolies Restrictive Trade Practices Act so that the present inadequacies are corrected. Setting up of a price monitoring mechanism is another demand of consumer groups.

Regarding the investment policy, the consumer agenda demands a code of right and responsibilities in the conduct of international trade and investment which should include the United National Code of Conduct for Transnational Corporations.

The signatories to the agenda say that it is also essential that the effects of the foreign direct investment (FDI) be discussed in the light of potato chips vs silicon chips argument.

The WTO agreement on agriculture focus on three main areas; market access, domestic support and export subsidies. Keeping this in view consumer organizations want a commodity specific agreement and to address the issue of food security. However it wants removal of domestic regulations on movement of agricultural commodities.

It is good that Indian consumer organizations which, hitherto confined themselves to local issues have come out with a relevant subject of concern to consumers.

