



CANADA'S VOICE
IN GLOBAL GOVERNANCE:

A CIVIL SOCIETY HANDBOOK

WORLD TRADE ORGANIZATION

COORDINATED BY
FRIENDS OF THE EARTH CANADA

member of
membre du



Friends of
the Earth
International

Les Ami(e)s
de la Terre



Friends of
the Earth



Walter & Duncan
GORDON FOUNDATION

Overview and Acknowledgments

Welcome to *Canada's Voice in Global Governance: A Civil Society Handbook*. The handbook is a resource for civil society organizations (CSOs) interested in understanding and influencing Canada's role in some of the world's most important global institutions. Each section of the handbook answers key questions and provides important contact information on a particular international institution, including: the Group of Eight (G8); World Bank Group; the World Trade Organization (WTO); the Organization for Economic Cooperation and Development (OECD); the Organization of American States (OAS); the International Labour Organization (ILO); the United Nations Environment Programme (UNEP); and the United Nations Commission on Human Rights (UNCHR). There is also a section that provides an overview of the key pillars of the Canadian Government's foreign policy-making process. See the www.foecanada.org/intl/handbook.htm for a complete list of the documents that make up the handbook.

Please note that this version of the handbook is a "Working Draft". We hope that it can be of immediate use to CSOs across Canada and beyond, but we are also seeking comments and suggestions in order to improve it and ensure that it is useful to the widest possible range of organizations (please send comments to gsaul@foecanada.org).

Also note that the HTML version of this document includes hyperlinks to additional information. These links are indicated in the PDF version by underlined text, but they can only be opened through the html version. The handbook will be updated regularly, so to benefit from the hyperlinks and ensure that you have the most up-to-date version, please check the website: www.foecanada.org/intl/handbook.htm.

The many sections of the handbook represent the collective effort and input of a wide range of human rights, labour, environment and development organizations from across Canada and beyond. The process of bringing this information together was coordinated by Friends of the Earth Canada and advised by a steering committee that included representatives from the Halifax Initiative Coalition, the Canadian Council for International Co-operation (CCIC), and Kairos: Canadian Ecumenical Justice Initiatives. We would like to thank the Walter and Duncan Gordon Foundation and the Charles Stewart Mott Foundation for their generous support. While Friends of the Earth deeply appreciates the support of all of the organizations and individuals involved in the development of this project, we take sole responsibility for any inaccuracies or mischaracterizations that may have survived the editing process.

We are still in the process of compiling individual acknowledgements and will include them in the re-edited First Edition that will follow soon.

Table of Contents

Introduction	1
What is the WTO?	3
What Does the WTO Do?	3
How is the WTO Structured?	5
How Does the WTO Work?	7
Where Does the WTO Get its Money?.....	10
Who Speaks for Canada at the WTO?	11
Who Decides What Canada Says at the WTO?	11
Tips for Civil Society.....	14
Conclusion.....	17
Appendix A: Organization Chart of the World Trade Organization.....	18

Canada's Voice in Global Governance: A Civil Society Guide

The World Trade Organization (WTO)

Introduction

Since its creation in 1995, no other organization has provoked as much controversy as the World Trade Organization (WTO), the successor to the General Agreement on Tariffs and Trade (GATT). Its proponents say it is an engine of global economic growth. Its detractors argue that it is a profoundly undemocratic institution that perpetuates and worsens global inequality, injustice, and environmental degradation.

Why does the WTO inspire such heated debate? One reason is the perception that although the decisions made within the WTO have far-reaching effects on our daily lives, citizens have virtually no influence over the institution. National regulations and standards for health,

human rights, labour, and the environment can be treated as “trade barriers” within the WTO context. Governments’ freedom to set such domestic standards is sharply restricted by WTO agreements. One observer describes these agreements as “little more than extensive lists of policies, laws and regulations that governments can no longer establish or maintain.”¹ Modifying these agreements is extremely difficult as it requires a consensus among some 150 countries.

Many critics of the WTO also claim that its rules are incompatible with the development of the global south. No country has managed to develop an

**Box 1: NGOs Can Make a Difference:
The WTO's Ministerial Conference
Cancun, Mexico, September 2003**

At the 2003 Ministerial Conference, developing countries served notice that they were not going to accept another WTO agreement negotiated without their input. How? They simply walked out, contributing to the collapse of the negotiations. NGOs supported these countries' representatives in rejecting a form of corporate-driven globalization that would only lead to perpetual poverty for their populations.

Alison Symington of the Association for Women's Rights in Development describes the role of Civil Society at the Ministerial conference (www.awid.org/publications/cancunfinal_oct2003.doc):

“NGOs played diverse roles at the Ministerial. Some conducted workshops and training sessions.... Some of those with accreditation lobbied government delegations directly. Many shared information at daily briefing sessions, monitoring negotiations and analyzing proposals and texts as they emerged.... Many NGO representatives were sending updates home to their constituents, acting as observers of what was happening inside the Ministerial and enabling domestic media work and political pressure to be maintained. In the city of Cancun, thousands of farmers, students, activists and others gathered at an alternative People's Summit and peasant encampment, orchestrating protest marches as well as doing popular education....”

“Both the NGOs on “the inside” and the protesters in the street contributed to [the breakdown of the Ministerial] by bringing a human face to the policies that were being debated, by presenting alternative perspectives and scrutinizing proposals, and by supporting developing country delegates who were willing to take the risks associated with defying the rich countries.”

industrialized economy without protecting industries in their “infant” stages, yet WTO rules increasingly demand that poor countries do just that. To make matters worse, industrialized countries themselves frequently break or bend the rules that they pressure developing countries to adopt.

Although WTO literature emphasizes the voluntary nature of these agreements, many feel betrayed by governments who have abdicated so much power to structures over which their citizens have so little say. All but the most powerful countries are placed in an impossible position: if they opt out of WTO agreements they risk being isolated from the global trading system, but in “signing on” they compromise their ability to set their own national socio-economic path and their capacity to give their citizens a voice in what that path will be.

The Government of Canada has been an enthusiastic supporter of trade liberalization. Canada relies on exports for about 40% of its economic activity, and already has a far-reaching free trade arrangement with its largest trading partner, the United States, which accounts for almost 80% of its total exports. Canada is also the world’s third largest agricultural exporter, and 90% of its imports of non-agricultural goods already enter Canada duty-free.² For some, this implies that Canada has much to gain and little to lose from freer global trade. But those concerned with environmental protection, the availability of social services, labour standards, human rights, privacy, food safety, and poverty in the global south (just to name a few) insist that Canada doesn’t need to give up all of its regulatory powers, or force developing countries down an impossible development path, in order to benefit from trade.

Box 2: Non-WTO Free Trade Agreements

The WTO is only the largest example of a growing number of free trade arrangements. Since the WTO’s inception in 1995, 150 Regional Trade Agreements (RTAs) have been registered, and 124 were registered by its predecessor, the General Agreement on Tariffs and Trade (GATT). Because they deal with fewer countries, these non-WTO regional arrangements, including Canada’s North American Free Trade Agreement (NAFTA) with the United States and Mexico, often go further than the WTO agreements in liberalizing trade among their parties. Their principles and provisions tend to be integrated incrementally into WTO agreements.

This handbook begins by describing what the WTO is, what it does, how it is structured, how it works and how it is financed. This is followed by an explanation of who speaks for Canada at the WTO and who the key governmental players are in determining what Canada says at the institution. Finally, the handbook ends with tips for civil society activists that are interested in better understanding and influencing the WTO. The information that follows will be periodically updated and we welcome your comments and suggestions.

What is the WTO?

The WTO has its headquarters in Geneva, Switzerland, and currently has 149 members, with another 27 in active negotiations to join.³ It has two basic functions: it is a forum for the negotiation of global free trade agreements, and it is also the enforcer of those agreements.

WTO agreements come about mostly through “rounds” of negotiations among the members. The WTO itself was created by the eighth round of

negotiations on the GATT, called the Uruguay Round.⁴

The GATT was incorporated into the WTO, and continues to be a central component of its trade rules. Beyond GATT, sector-specific agreements on trade in

goods, such as the Agreement on Agriculture, are now in effect. WTO rules have been extended into new sectors by agreements such as the General Agreement on Trade in Services (GATS) and the Trade Related Aspects of Intellectual Property Rights (TRIPS) agreement. The consequence is that WTO trade rules now cover many aspects of social and economic policy, and negotiations are underway on new agreements that would extend WTO rules into even more spheres such as investment and competition policy. Governments are also using the current negotiations to look at a wide array of domestic regulations to see whether or not they are ‘barriers to trade’.

What Does the WTO Do?

The WTO functions as a forum for the negotiation, implementation and adjudication of global free trade agreements. WTO agreements essentially do two things. First, they establish the rules of trade among the WTO members, most of which restrict or prevent a wide range of government policies. These include local hiring requirements; patent rules designed to foster competition and reduce the cost of medicines; tariffs, quotas, subsidies, and special taxes that encourage local production; and regulations that are considered too strict. This is sometimes referred to as “liberalizing” trade. Second, WTO agreements commit the members to individual targets in tariff reduction and the opening of markets – a practice known as “binding.”⁵ Once a state has made a “bound” commitment, it is very difficult for it to backtrack in future rounds of negotiation and still remain within the WTO system. Indeed, the expectation is that such commitments will increase in each subsequent round.

Box 3: The Major WTO Agreements

For a brief description of each of the major WTO agreements and their implications, refer to *Making the Links*, by Maude Barlow and Tony Clarke, on page 6 of www.polarisinstitute.org/pubs/pubs_pdfs/Making_the_links_int.pdf.

In theory, WTO agreements are based on two basic principles, both of which have to do with “non-discrimination:” countries should not treat some trading partners better than others, and they should not give preference to their own nationals over those of their trading partners. The first principle requires that all WTO members grant all other WTO members Most Favoured Nation (MFN) trading status. With a few exceptions, an advantage granted to one WTO member, such as a lower customs duty rate for a particular product, must be granted to all.⁶ The second principle, referred to as “national treatment,” requires that foreign companies operating within a given country must be treated the same as local companies. Imported goods must be treated the same as locally produced goods once they have entered the country, and foreign service-providers must be treated the same as local ones.

While some claim that MFN and national treatment mean that all countries are treated “equally” in the WTO trade regime, the definition of equality that is implied is a rather hollow one. In fact, insisting that developing countries open their economies up to global competition just as much as developed countries leaves them at a very serious disadvantage. WTO rules are heavily weighted in favour of rich countries, and many argue that they are a significant contributor to continued third world poverty. Some of the resources in boxes 4 and 6 address this point in greater depth.

WTO agreements also go much further than providing guarantees that foreign and locals will be treated equally. Two WTO agreements (SPS and TBT) open governments up to challenges if they impose environmental or other kinds of regulations that are higher than the norm, even when

Box 4: Background on the WTO

Canadian Council for International Cooperation, *Global Trade/Global Poverty -- NGO Perspectives on Key Challenges for Canada, 2002*
<http://www.ccic.ca/e/002/trade.shtml>

Friends of the Earth International, *The World Trade System: how it works and what is wrong with it*, September 2003,
www.foei.org/publications/trade

Fatoumata Jawara and Aileen Kwa, *Behind the Scenes at the WTO: The Real World of International Trade Negotiations*, Updated Edition, Zed Books, 2004.

Joseph E. Stiglitz and Andrew Charlton, *An Agenda for the Development Round of Trade Negotiations in the Aftermath of Cancun*, Report for the Commonwealth Secretariat prepared with Initiative for Policy Dialogue, June 2004.
www.thecommonwealth.org

Bernard Hoekman, Michael Kostecki and M. M. Kostecki, *The Political Economy of the World Trading System: From GATT to WTO*, 2nd edition, Oxford University Press, 2001.

B L Das, *The World Trade Organisation: A Guide to the Framework for International Trade*, Third World Network.

The Multilateral Trading System: A Development Perspective
 Third World Network Report produced for the UNDP
 (December 2001)
www.twinside.org.sg/pos.htm

Lori Wallach, Patrick Woodall and Ralph Nader, *Whose Trade Organization?: A Comprehensive Guide to the World Trade Organization*, 2nd Edition, New Press, 2004.

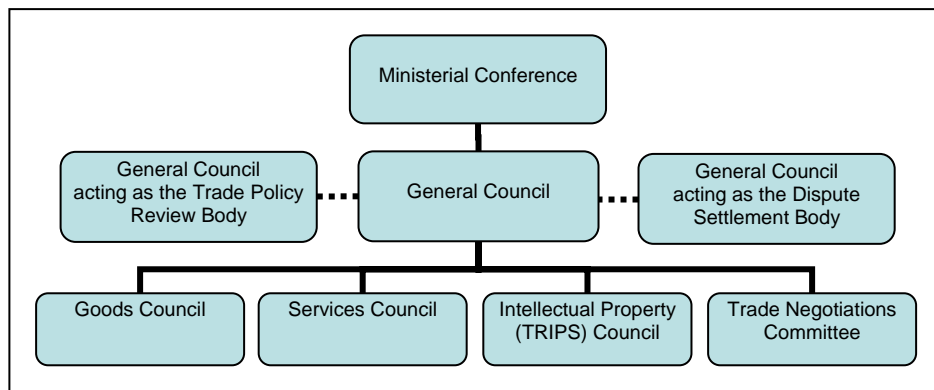
these regulations are applied even-handedly to foreign and local companies. Another WTO agreement (the GATS) requires the elimination of public monopolies and other kinds of restrictions on the supply of a service when governments commit to the full force of the agreement. The TRIPS agreement guarantees patent holders, such as multinational drug companies, that they will be able to sell their products without competition for decades.

The WTO is also a partner with the World Bank and the International Monetary Fund (IMF) in pursuing a broader economic liberalization agenda. Most of [the WTO's poorest members](#) have already been required to liberalize their trade practices as a condition of receiving assistance from the World Bank and the IMF.

How is the WTO Structured?

As mentioned above, the WTO has two main functions: a forum for the negotiation of new agreements, and a supervisory and adjudicative body for existing agreements. Accordingly, the WTO essentially has two different organizational structures, one for each of its two main roles. The [Ministerial Conference](#) oversees issues related to the negotiation of new agreements, while the General Council runs the organization and implements existing agreements.⁷

Box 5: Basic Structure of the WTO



Negotiating New Agreements

The WTO's highest decision-making body is the Ministerial Conference, where each member is represented by its Minister of Trade or equivalent. This body initiates and sets the priorities for each new round of trade negotiations, defines the parameters of those negotiations, and finalizes and signs all new agreements. It meets at least once every two years.

Between Ministerial Conferences, the WTO negotiating structure is led by the Trade Negotiations Committee (TNC), where countries are represented by their chief negotiators. The TNC meets at least every two to three months and reports to each meeting of the General Council. It is chaired by the Director General of the WTO.

The negotiating structure under the TNC can change from round to round, as specified by the Ministerial Conference. Various negotiating groups consider particular aspects of the agreements under the TNC's direction. For more information on how the negotiations are carried out, see the "How Does the WTO Work" section below.

Implementing Existing Agreements

The day-to-day work of interpreting existing agreements and adjudicating disputes that arise from them is overseen by the General Council of the WTO, which is second in authority only to the Ministerial Conference. The General Council makes final decisions on most important matters related to the functioning of the organization and its agreements. It also acts as both the Dispute Settlement Body (DSB) and the Trade Policy Review Body of the WTO. The Council meets several times a year in Geneva, and is made up of the ambassadors or heads of delegation of all WTO members.

There are three sub-councils which give support to the General Council: the Goods Council, the Services Council, and the Intellectual Property (TRIPS) Council. Below them are numerous specialized committees and working groups that deal with specific agreements and cross-cutting issues. Several specialized committees and working groups also report directly to the General Council, including the committees on Trade and Environment, and Trade and Development.

When the General Council is functioning as the DSB to adjudicate a trade dispute, it is assisted by two subsidiaries: the dispute settlement panels of experts, which are appointed on a case-by-case basis to adjudicate disputes, and an Appellate Body, made up of seven members elected to four-year terms by the DSB. More information on the dispute settlement process can be found in the "How Does the WTO Work" section below.

The Secretariat of the WTO, which is headed by a Director General, is based in Geneva and has a staff of around 560.⁸ The Secretariat has little formal decision-making power but its ability to bias procedures to the benefit of Northern countries can be very influential during trade negotiations. It provides technical support and assistance for the various bodies, meetings, and member countries of the WTO. It also produces

reports on member states' trade practices, publishes analyses of world trade, and handles public relations for the organization.

How Does the WTO Work?

Most decisions at the WTO are made by consensus without a vote, but there are circumstances in which votes, on a “one-member-one-vote” basis, can take place. In contrast to the weighted voting structures of the World Bank and the IMF, the WTO appears to be a more democratic institution. Beneath the surface, the reality is quite different. Most agreements are first negotiated by a few powerful countries in secret (essentially the United States, the European Union, and whoever else they think they need on board) and then presented to the rest of the members as “an intricate and complex set of strategic compromises that will unravel should amendments be proposed.”⁹ We will look first at the trade negotiations process and then at the dispute resolution process

Trade Negotiations

There are two things to understand about how WTO negotiations work. The first is the political pattern – how the various countries relate to one another, and in particular what the power dynamics are. The second is the actual negotiating process through which these power dynamics are translated into trade agreements. This involves both formal and informal processes.

Most of the negotiating at the WTO is done by a few powerful countries behind closed doors, who then try to get other countries to sign on through a combination of bargaining and coercion. Traditionally, the dominant club has been the “Quad,” which consists of the four largest WTO members: the United States, the European Union, Japan, and Canada. More recently, another informal but influential group has emerged called the “the Five Interested Parties,” namely Australia, Brazil, India, the EU, and the US.

Other countries also group themselves into negotiating blocs.¹⁰ Most of these blocs play a largely reactive role with respect to the dominant clubs mentioned above. Developing countries have tried to break out of this reactive mould by proposing a set of alternate priorities for WTO negotiations, but so far these demands have been largely ignored.

As for the formal negotiations, WTO agreements are developed through “rounds” of negotiation. Negotiating rounds begin and end with a Ministerial Conference (often referred to simply as a “ministerial”). Since a negotiating round generally takes several years to complete, and the

Box 6: Other Guides to the WTO**Understanding the WTO**

A backgrounder published by the WTO Secretariat
www.wto.org/english/thewto_e/whatis_e/tif_e/tif_e.htm

Council of Canadians: Trade Campaign Resources

www.canadians.org

WTO Fact Sheets

Nine fact sheets on how the WTO will affect agricultural subsidies, investment, access to essential medicines, democracy and globalization

Making the Links: A Peoples' Guide to the World Trade Organization and the Free Trade Area of the Americas

Maude Barlow and Tony Clarke
www.polarisinstitute.org/pubs/pubs_pdfs/Making_the_links_int.pdf

Friends of the Earth International:

www.foei.org/trade/index.html

The World Trade System:

How it works and what's wrong with it
www.foei.org/publications/trade/index.html

Stephen Shrybman, World Trade Organization: A Citizen's Guide, 2nd Edition, James Lorimer & Company, 2001.**The Rough Guide to the WTO: A CAFOD Briefing**

Catholic Agency for Overseas Development
www.cafod.org.uk

A Citizen's guide to the WTO Agreement on Agriculture

Raj Patel, Food First
www.foodfirst.org/wto/aoaguide.php

Practical Guide to the WTO (for human rights activists)

3D and FORUM ASIA
 See www.3dthree.org to order

General Agreement on Trade in Services (GATS)

A collection of work from the Canadian Environmental Law Association's international programme on this topic:
<http://www.cela.ca/coreprograms/detail.shtml?x=1318>

The World Trade Organisation: An Australian Guide, 2nd Ed.

Global Trade Watch
www.tradewatchoz.org/guide/index.html

Public Citizen: Global Trade Watch

www.citizen.org/trade/wto/

Ministerial Conference must meet at least once every two years, ministerials frequently take place in the middle of negotiating rounds. These tend to be key moments in the negotiating process, testing the level of consensus that has so far been achieved.

When the Ministerial Conference launches a new round of negotiations, it also defines the priorities and parameters for the round and lays out the formal negotiating structure. Talks then begin in the various groups operating under the direction of the Trade Negotiations Committee, as well as in less formal but often more influential processes. Negotiations continue until a new set of agreements is finally reached, usually several years later at another Ministerial Conference.

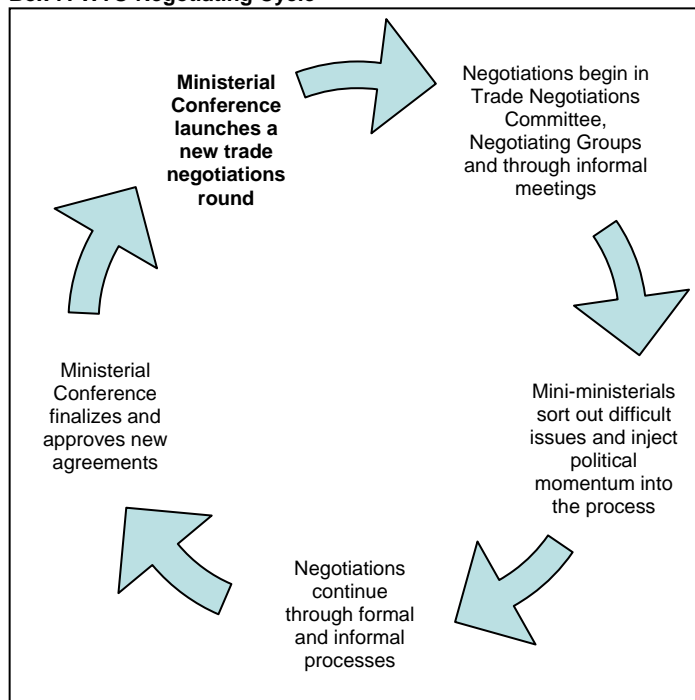
Between the ministerials, the WTO members are continually engaged in negotiations on numerous issues and agreements. Much of this discussion takes place outside of the formal structures of the TNC and its subsidiary bodies,

whose meetings serve mainly to put countries' positions on the record and to confirm consensus on certain points. Most of the negotiating is done by officials, led by the "chief negotiators" from each country. At times, however, political representatives such as Canada's Minister of Trade will get together in smaller groupings called "mini-ministerials" in

order to try and forge common positions and to inject some political momentum into the negotiations.¹¹

The Ministerial Conference must give final approval for all agreements reached in a negotiating round. Ministerial meetings tend to have a “pressure cooker” atmosphere, primarily because WTO agreements are negotiated on the basis of “single undertaking.” This means that all issues remain on the table until a final agreement is reached: “Nothing is agreed until everything is agreed.”¹² Backroom meetings, secret discussions, and rapidly evolving draft texts are the norm. One of the most frequently criticized features of the Ministerial Conferences are the “Green Room” meetings, where 20 to 40 of the world’s largest trading countries meet behind closed doors trying to find a consensus position to present to the rest of the WTO for adoption. The single-undertaking structure is particularly difficult for developing country delegations, which must try to monitor numerous ongoing negotiations with far fewer negotiators and experts.

Box 7: WTO Negotiating Cycle



Dispute Resolution

If one country thinks another has broken a WTO agreement, it can file a petition with the [Dispute Settlement Body](#) (DSB). Other countries can join in the grievance if they also think their interests have been adversely affected. The disputing parties enter consultations, but if they can’t find a negotiated settlement within 60 days, a Dispute Settlement Panel of three to five independent “experts” from neutral countries is appointed by the WTO to make a ruling.¹³ The parties can still settle the case “out of court” at any stage. Either party can appeal the panel’s ruling based on points of law, but they cannot challenge existing evidence or introduce new issues.

The rulings of the Dispute Settlement Body are binding. If the state targeted in the complaint loses, it is expected to comply with the recommendations of the DSB. Sometimes, however, states decide to

ignore the rulings of the DSB. In such cases, the WTO gives the complaining state permission to “penalize” the offending country by using retaliatory trade measures – usually tariffs against its products that will have an equivalent value to the offending practice.

On the one hand, this gives WTO agreements more “teeth” than almost any other agreement. The WTO is the only international body whose agreements have built-in enforcement measures. In many cases, the country that loses its case at the DSB is forced to change its practices and/or regulations. On the other hand, this type of remedy tends to be much more effective for powerful states than for smaller ones. While some sanctions can bring even rich countries to heel (like those Venezuela was authorized to take in its 1995 case against the US regarding new gasoline regulations), in other circumstances no sanctions that the weaker country can impose will be effective against a much larger trading partner, and the effort may hurt the complaining state more than it hurts the target state. Thus, while the WTO dispute settlement process is based on rules, the enforcement of its rulings depends upon the power of the complaining state to enforce them. This clearly favours the most powerful countries.

In addition to this limitation, WTO rulings have been criticized for failing to recognize legitimate grounds for regulating trade – for example the protection of public safety or the environment. Yet another source of controversy has been the selection of “experts” for Dispute Settlement Panels, as the experts chosen are usually trade lawyers or economists with little expertise in environmental or developmental fields.

This has led to some dubious rulings where regulations aimed at protecting public health or the environment have been considered “non-tariff barriers to trade” and thus illegal under WTO agreements.

Box 8: How Long Does it Take to Settle a Dispute?	
Approximate timelines:	
60 days	Consultations, mediation, etc
45 days	Panel set up and panellists appointed
6 months	Final panel report to parties
3 weeks	Final panel report to WTO members
60 days	Dispute Settlement Body adopts report (if no appeal)
Total = 1 year	(without appeal)
60-90 days	Appeals report
30 days	Dispute Settlement Body adopts appeals report
Total = 15 months	(with appeal)

Source: Adapted from WTO, *Understanding the WTO: Settling Disputes*

Where Does the WTO Get its Money?

The annual budget of the WTO Secretariat is around 160 million Swiss francs (US\$135 million). This comes from [individual contributions](#) from the members calculated on the basis of their share of global trade. The largest single contributor is the United States, at about US\$21.5 million

per year, though the EU countries together contribute nearly US\$57 million.¹⁴ The WTO budget also supports the International Trade Centre, a capacity-building organization jointly supported by the WTO and the United Nations Conference on Trade and Development, and members make special contributions for technical assistance.

Canada contributes about CAD\$6.5 million per year to the WTO's regular budget – about the same as Italy, but less than France or the UK. Canada also contributes several hundred thousand dollars per year for technical assistance through the WTO.

Who Speaks for Canada at the WTO?

Canada's highest representative at the WTO is its [Minister for International Trade](#). The Minister of Agriculture and Agri-Food Canada also attends the Ministerial Conferences, as does the President of the Canadian International Development Agency (CIDA) and a number of other senior officials and advisors.

During the ongoing negotiations of WTO rounds, Canada is represented by a team of negotiators, led by Canada's chief negotiator to the WTO. In most cases these are Ottawa-based officials from the department of International Trade Canada (ITCan) or another department who specializes in the particular area of trade policy under discussion. They represent Canada in the meetings of the Trade Negotiations Committee (TNC) and all of its subsidiary bodies, and in more informal negotiations with other countries and negotiating blocs. The chief negotiator represents Canada at meetings of the TNC, and accompanies (or sometimes replaces) the Minister at mini-ministerial meetings.

For ongoing WTO work, Canada is represented by the staff of its Permanent Mission to the WTO in Geneva, led by Canada's Ambassador to the WTO. They represent Canada in the day-to-day affairs of the organization, with the exception of the Trade Negotiations Committee and its subsidiaries. They also serve as Canada's liaison with the WTO Secretariat.¹⁵

Who Decides What Canada Says at the WTO?

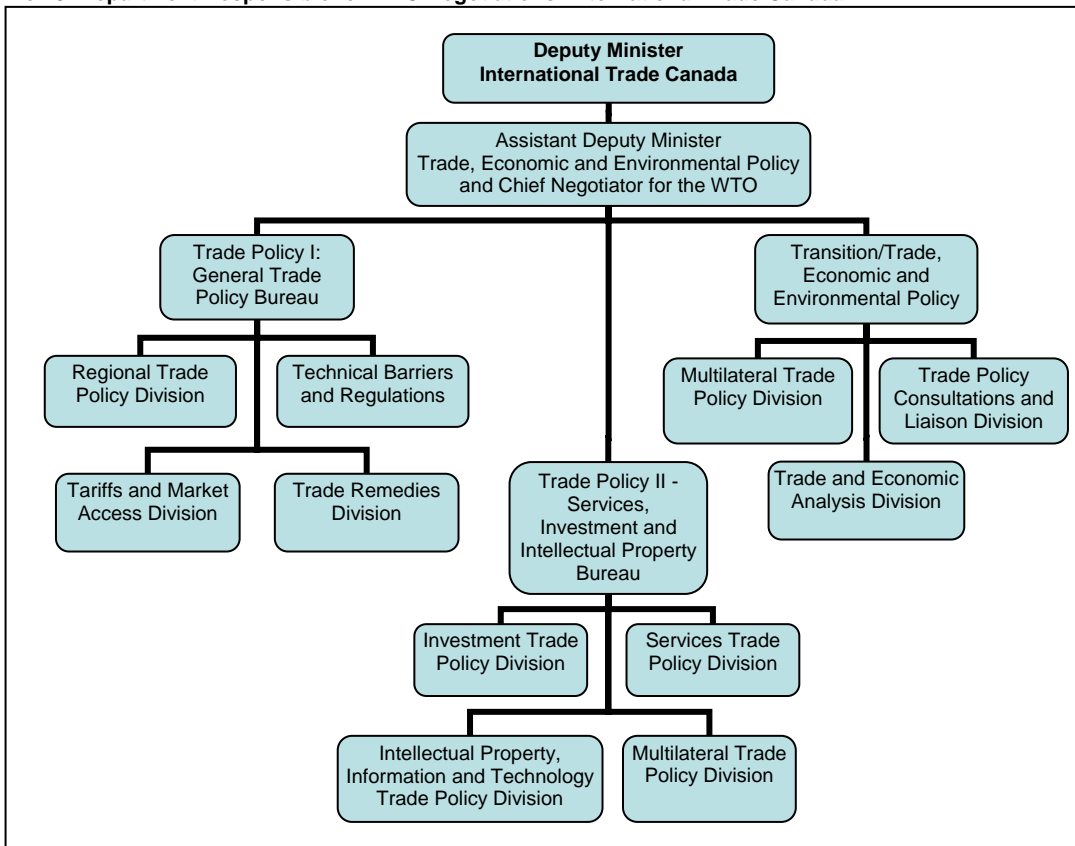
Ultimately, the decision about what Canada says at the WTO rests with the Canadian Federal Cabinet, which receives regular updates on the status of ongoing trade negotiations. The Cabinet decides what Canadian trade policy is and, in the case of trade negotiations, issues a mandate to the departments doing the negotiating that tells them what

they are authorized to agree to. If the negotiators want to go beyond the limits of these instructions, the department has to submit a request to the Cabinet asking for modifications to their mandate.

The lead department for WTO negotiations and trade policy formulation is [International Trade Canada](#) (ITCan). Within this department, there is an Assistant Deputy Minister responsible for WTO negotiations, and an elaborate structure for trade policy analysis and formulation (see Box 9). There are three trade policy bureaus at ITCan that do the bulk of this work. Trade Policy I deals with general trade issues like tariffs, market access, and “technical barriers” to trade, as well as regional trade issues and trade remedies (disputes). Trade Policy II is more narrowly focused, dealing specifically with trade in services, investment and intellectual property. A third division, called Transition/Trade, Economic and Environmental Policy, deals with cross-cutting issues like the impacts of trade on the economy and environment. One of the branches of this division – the Multilateral Trade Policy Branch – plays a coordinating role, liaising closely with the heads of the different negotiating teams to make sure that they are all on the same page.

Because trade agreements have become so far-reaching in their implications, most other federal government departments have their own views and concerns about them. With a few notable exceptions, however,

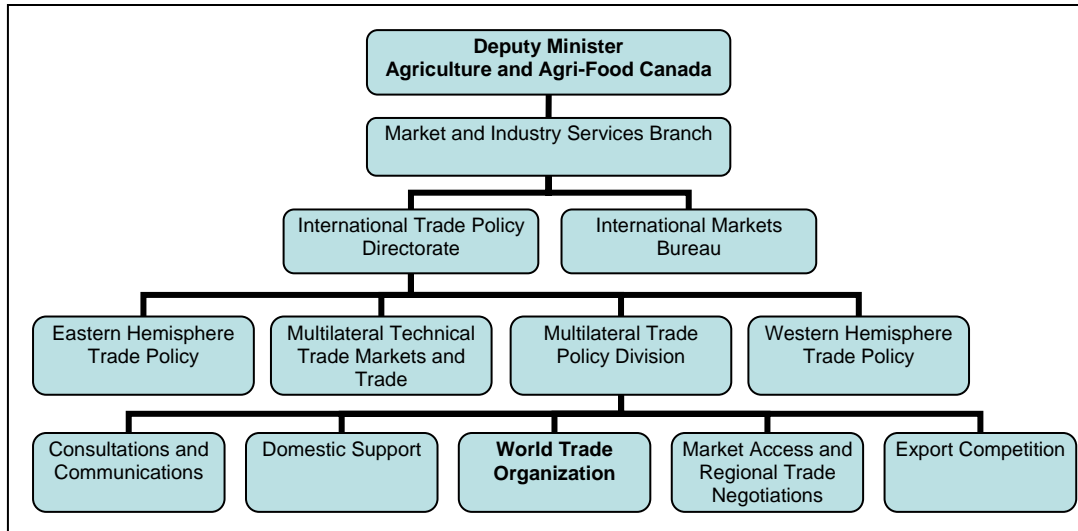
Box 9: Department Responsible for WTO Negotiations: International Trade Canada



most of them do not have a great deal of influence on Canada's trade policies. Agriculture and Agri-Food Canada (Ag Canada) has the most elaborate trade-related policy structure outside of the Department of Trade and heads negotiations related to agriculture. Finance Canada takes the lead on issues discussed in the Negotiating Group on Rules (subsidies, anti-dumping, and countervailing measures) because these issues affect customs and revenues coming into the Canadian treasury. Environment Canada plays a significant role in environment-related negotiations, though ITCan still takes the lead.

[The Privy Council Office \(PCO\)](#) maintains some expertise on trade issues in order to manage inter-departmental and inter-governmental issues, as well as processes related to Cabinet decision-making.¹⁶ A coordinating committee of Deputy Ministers receives regular updates on the status of negotiations. The provinces also receive regular updates, especially after mini-ministerials and other major meetings. In some cases, especially on trade in services, the provinces have a fair amount of influence, because trade agreements impact on a number of matters under provincial

Box 10: Agriculture Canada: Trade Related Units



jurisdiction.

As noted above, the [Permanent Mission in Geneva](#) represents Canada in the day-to-day affairs of the WTO, but policy decisions are still mostly made in Ottawa. The Permanent Mission informs Ottawa of upcoming agenda items, and ITCan (or the lead department on the issue) responds with instructions, talking points, or desired interventions.

The Government of Canada also relies on “expert advice” from [Sectoral Advisory Groups on International Trade](#) (SAGITs), which provide strategic

advice to the Minister on sector-specific issues. Many observers argue that the Canadian business community essentially dictates official Canadian trade policy through the SAGITs. There are currently twelve active SAGITs representing various industry sectors which meet three or four times a year. Their members include senior business executives, as well as representatives of industry associations, labour unions, and civil society groups, and are appointed by the Minister for renewable two-year terms. Membership lists are available from ITCan upon request.

There is also an Academic Advisory Council which reports to the Deputy Minister of International Trade, providing input on trade policy and decision-making, and identifying knowledge gaps and areas for research.

ITCan reports annually to the House of Commons [Standing Committee on Foreign Affairs and International Trade \(SCFAIT\)](#). Matters related to the WTO are included in this report, but do not generally receive detailed scrutiny. SCFAIT also has a Subcommittee on International Trade, Trade Disputes, and Investment (SINT), which looks at specific trade-related issues in greater depth. MPs with specific interest in certain trade issues can, with consensus from the committee, have an issue studied in some depth including bringing officials and CSOs before the committee for testimony and to answer questions. A report on the issue is then submitted back to Parliament via the main SCFAIT body for response from the government.

Box 11: Contacting the Government:

To contact a person or office in the **Government of Canada**, check the Government Electronic Directory Services (GEDS), a searchable online database of government contact information. See: <http://direct.srv.gc.ca/cgi-bin/direct500/BE>

The **Parliament of Canada** website maintains contact information for Members of Parliament and records of parliamentary proceedings. See: <http://www.parl.gc.ca/>

Since many of the areas trade agreements encompass affect provincial jurisdiction, the federal government consults with provincial representatives at periodic “C-Trade” meetings. Either the provincial minister responsible for trade and inter-governmental affairs, or a provincial government official, attend these meetings. If provincial governments have objections to the potential impacts of trade negotiations, C-Trade meetings are one avenue for the provinces to air these concerns.

Tips for Civil Society

As noted above, WTO trade rules now reach into virtually every sector of government and society. As a result, a large number of Canadian civil society groups are engaged in advocacy and analysis related to the WTO.

Almost 30 Canadian NGOs and unions attended the Fifth WTO Ministerial Conference in Cancun in 2003.

Many organizations focus on media work or public demonstrations, while others are more actively involved in trying to influence specific WTO activities. What follows are just some of the things that you may want to keep in mind if you choose to take action around the WTO.

If you are new to these issues, your first step should be to contact some of the people in Canadian civil society who are already working on the issues you are concerned about. Because trade agreements are very complex, most groups concentrate on a particular aspect of the trade negotiations picture. For example, if you are interested in the [General Agreement on Trade in Services \(GATS\)](#), you may want to contact the Trade Investment Research Project at the [Canadian Centre for Policy Alternatives](#), which has particular expertise in this area. Other groups watching the GATS closely include the Polaris Institute, the Canadian Association of University Teachers, the Canadian Teachers' Federation, and the National Union of Public and General Employees. The Canadian Council for International Cooperation (CCIC) focuses its trade work on the impact of trade agreements on international development, or "trade and poverty." There is also a Food Security Policy Group – a coalition of organizations that works on issues related to the WTO's Agreement on Agriculture and its effects on food security. It is chaired by the Canadian Foodgrains Bank. On human rights implications of trade agreements, Rights and Democracy would be a good organization to contact.

Remember that the officials who represent Canada in WTO negotiations, including the chief negotiator, are based in Ottawa, not at the Permanent Mission in Geneva. You may want to contact people who handle the issues you are concerned about within the relevant departments – usually ITCan, Agriculture Canada, Finance Canada or Environment Canada, depending on the issue.

ITCan does does have a unit, called the [Trade Policy Consultations and Liaison Division](#), whose job is to consult with stakeholders and receive input from concerned groups and individuals.

Remember also that a lot of things are up in the air until the very end of a negotiating round. This is why so many Canadian NGOs attend the Ministerial Conferences – things can change very quickly and dramatically at the ministerials, and civil society needs to be on the ground to respond.

This dynamic aspect also underscores the necessity of working in broad coalitions, in order to have a greater response capacity when negotiations

seem to be going wrong. For this reason it's important to build relationships with other NGOs from around the world, and with negotiators from other countries who are sympathetic to your position.

You should also note that there are considerable differences within and between the various levels of government in Canada when it comes to trade policy. These differences exist between federal government departments – for example between trade negotiators and development specialists – but they also reach between different levels of government. Trade issues that relate to health and education, for example, are negotiated by the federal government but reach into areas of provincial jurisdiction. Some issues, such as government procurement laws and agreements on trade in services actually extend into areas of municipal government and affect the day-to-day functioning of your city hall. These tensions are key levers for civil society groups to influence Canada's positions in trade negotiations. Provincial governments have taken strong stands on trade agreements, such as when the Quebec and BC governments publicly called for an end to negotiations on the proposed Multilateral Agreement on Investment. Municipal associations and individual cities have also passed strong resolutions expressing their concerns about the impact of these agreements on municipal authority.

Box 12: Civil Society Groups Working on WTO Issues:

Friends of the Earth International

Trade, environment and sustainability campaign

www.foei.org/trade/index.html

International Centre for Trade and Sustainable Development

Issues a monthly newsletter tracking developments at the WTO

www.ictsd.org/

Canadian Council for International Cooperation

www.ccic.ca

Council of Canadians

www.canadians.org

Polaris Institute

www.polarisinstitute.org

International Institute for Sustainable Development

www.iisd.org/trade

Canadian Food Security Policy Group

<http://www.ccic.ca/e/003/food.shtml>

Canadian Centre for Policy Alternatives

Trade and Investment Research Project

www.policyalternatives.ca

Third World Network

www.twinside.org.sg/

Earth Justice: International Trade and Environment Program

www.earthjustice.org/

Canadian Teachers' Federation

www.ctf-fce.ca

Canadian Association of University Teachers

www.caut.ca/en/issues/trade/default.asp

National Union of Public and General Employees

www.nupge.ca/gats/gats.htm

Canadian Foodgrains Bank www.foodgrainsbank.ca/fl_global.php

Rights and Democracy

www.dd-rd.ca

United Nations Conference on Trade and Development (UNCTAD)

www.unctad.org

Conclusion

Friends of the Earth Canada hopes that this handbook will serve as a useful point of reference for organizations interested in better understanding and influencing the WTO. This is a work-in-progress that will be periodically updated in order to better serve the needs of civil society organizations in Canada and abroad. We want to encourage readers to provide feedback and advice on how to improve this working draft. Please send any questions and comments to gsaul@foecanada.org.

¹ Steven Shrybman, *A Citizen's Guide to the World Trade Organization*, The Canadian Centre for Policy Alternatives/James Lorimer and Co., 1999, 6.

² *Canada and the WTO*, www.dfait-maeci.gc.ca/tna-nac/wto-co-en.asp.

³ Figures are from April 2005.

⁴ These negotiations took eight years to conclude (1986-94) and resulted in a total of 30,000 pages in agreements.

⁵ For example, three-quarters of the final text of the Uruguay Round agreements (22,500 of 30,000 pages) consists of schedules listing individual countries' commitments with respect to specific categories of goods and services. See "Understanding the WTO: Tariffs: more bindings and closer to zero," www.wto.org.

⁶ Exceptions include allowances for regional trading blocs and granting developing countries special access to certain markets.

⁷ There is some overlap between the two structures at the very top: the WTO's highest decision-making body, the Ministerial Conference, and its next highest body, the General Council, make decisions that affect both structures.

⁸ This is small in comparison to the World Bank's staff of 9,300. For the structure of the Secretariat, see www.wto.org/english/thewto_e/whatis_e/tif_e/org4_e.htm.

⁹ Shrybman, 6.

¹⁰ While the groupings of countries involved in negotiations do change according to what issues are on the table, relatively stable blocs of countries with similar interests have evolved. Countries tend to be associated with more than one group because the negotiating blocs vary according to the issues being discussed. One of the most important negotiating blocs for Canada is the "Cairns Group" of agricultural exporting countries. It includes Canada, as well as Argentina, Australia, Bolivia, Brazil, Chile, Colombia, Costa Rica, Guatemala, Indonesia, Malaysia, New Zealand, Paraguay, Philippines, South Africa, Thailand, Uruguay. See www.cairnsgroup.org/introduction.html.

¹¹ Sarah McGregor, "Stop and Go at the WTO: Mini-ministerials seen as the best way to advance the Doha Round," Embassy, March 16th, 2005.

¹² WTO, *How the Negotiations are Organized*, www.wto.org/english/tratop_e/dda_e/work_organ_e.htm.

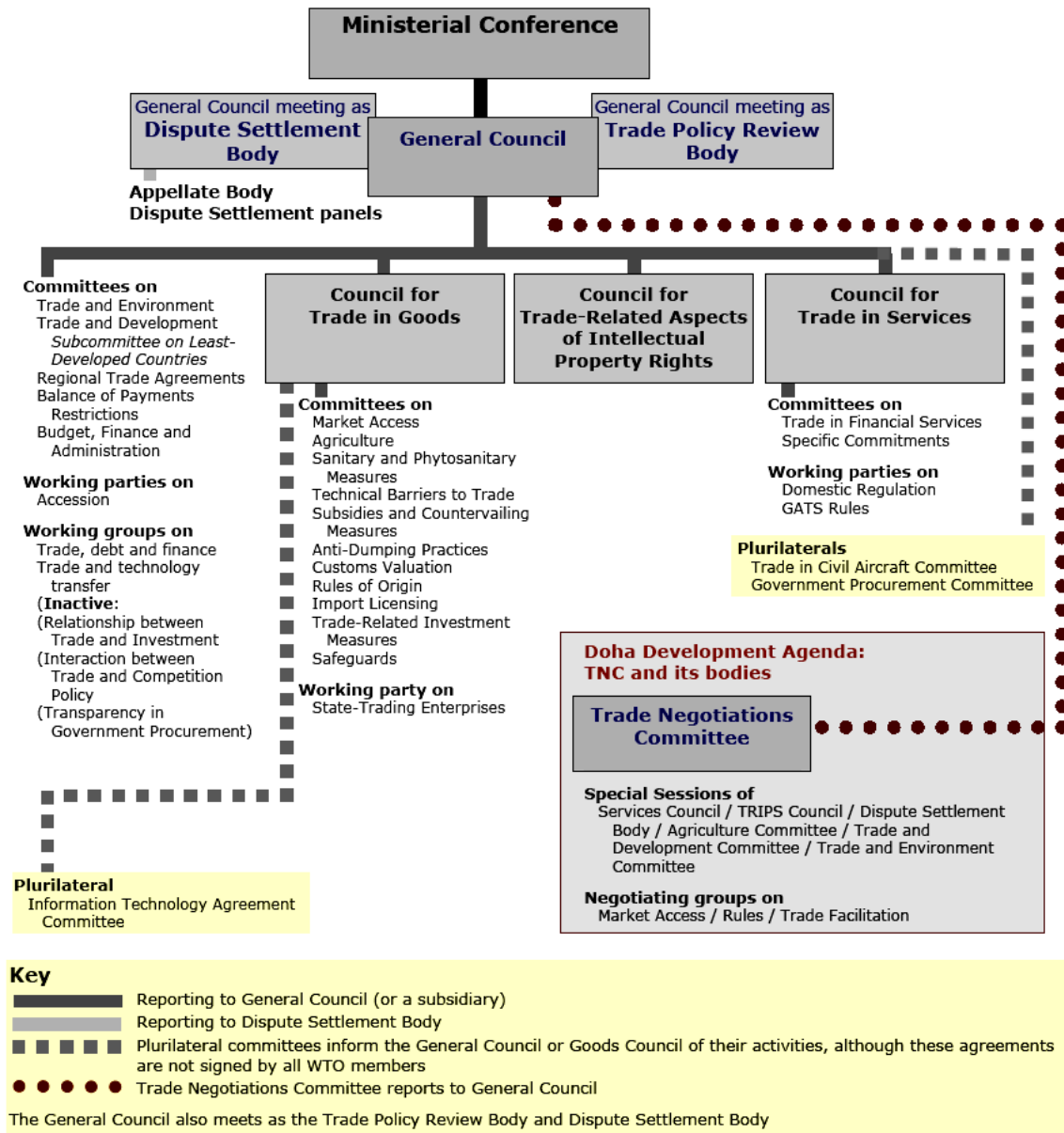
¹³ These experts are usually selected from a permanent list of qualified candidates, in consultation with the parties to the dispute.

¹⁴ All figures based on WTO Annual Report 2004, available at www.wto.org/english/res_e/reser_e/annual_report_e.htm.

¹⁵ There is some overlap in the duties of these two groups, with Permanent Mission staff frequently filling in for Ottawa-based negotiators who can't always be present in Geneva.

¹⁶ For example, Canada's current Ambassador to the WTO, Don Stephenson, moved from ITCan to the PCO as an Assistant Secretary to Cabinet before going to Geneva as Ambassador.

Appendix A: Organization Chart of the World Trade Organization



Source: World Trade Organization, www.wto.org/english/thewto_e/whatis_e/tif_e/org2_e.htm