

MULTILATERALISING REGIONALISM IDEAS FOR A WTO ACTION PLAN ON REGIONALISM

Richard Baldwin, Phil Thornton

A recently published book calls on the World Trade Organisation (WTO) to intervene over a massive proliferation of regional agreements, undermining efforts to strike a multilateral deal on world trade that could deliver billions of pounds of welfare to the world's poorest countries.

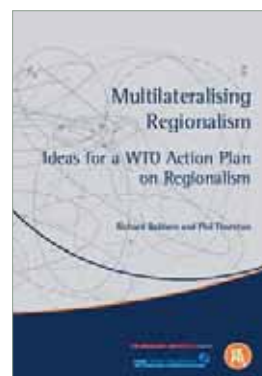
As an "innocent bystander" to this explosion in regional deals, the WTO faces a clear choice between watching as new regional deals add to the tangle of trade rules, and taking action. According to co-author Professor Richard Baldwin of the Graduate Institute, "Innocence or engagement is the choice. The problem will not go away on its own and a Doha deal will do little or nothing to tame the tangle. What is needed is a WTO Action Plan on Regionalism."

Published by the Centre for Economic Policy and Research and based on a three-day conference of academics and trade experts held at WTO Geneva headquarters last year, *Multilateralising Regionalism: Ideas for a WTO Action Plan on Regionalism* recommends measures for steering the world back towards the multilateralist ideal that has guided the international trade system since 1947.

At the heart of the plan is an acceptance of reality: regionalism is here to stay, even if regional deals are a bad way to organise the world's trade system, conspiring to inject both inefficiency and discrimination against poor countries into the multilateral system. Should the Doha Round (currently overseen by the WTO) finish tomorrow, free trade agreements would continue to proliferate and the motley assortment of rules would become even more tangled.

As expressed by co-author Phil Thornton, lead consultant at Clarity Economics, "The hope contained in this book is that the WTO membership can find a way to harness the malign elements of regional deals and use the benign elements of some of them as a springboard towards a new multilateral arrangement." However, any solution must work with the existing network of 400 regional bilateral and preferential trade agreements, not against it. The solution must multilateralise regionalism.

As the title suggests, the book provides an action plan that outlines various recommendations ranging from quicker and more detailed disclosure of the start and extent of negotiations on regional trade agreements, to the creation of a WTO advisory centre to address this issue.



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