

WTO agreement on the supply of public goods

Luis Villarroel

Director



PROPIEDAD INTELECTUAL Y COMPETENCIA

Highlights

- Provide a platform for integrating public goods into global trade discussions, fostering innovation and cooperation.
- Leveraging Comparative Advantages for Public Goods Provision
- Creates Market Demand and Foster Trade.
- Allows trade-offs (e.g., market access for public goods commitments) to incentivize participation

Leveraging Comparative Advantages for Public Goods Provision

- In the proposed public goods provision agreement, the framework recognize that some countries are particularly well-suited or better prepared to address specific public goods due to their geographic location, expertise, or available resources.
- By allowing cross commitments, the agreement fosters a collaborative approach where countries can contribute in areas where they have a comparative advantage.

Example:

- Norway: With its advanced healthcare research infrastructure and resources, Norway could commit to funding and conducting research to find a cure for Chagas disease, which is a significant health issue in many parts of Latin America.
- Bolivia: Leveraging its unique biodiversity and ecosystems, such as Lake Titicaca, Bolivia could commit to preserving endangered species and protecting the ecological integrity of this vital natural resource.

Leveraging Comparative Advantages for Public Goods Provision

- The proposed public goods provision agreement allows countries to leverage their unique strengths and capabilities to address specific public goods more effectively. Here are the key points:
 - 1. Recognizing Strengths:** The agreement acknowledges that some countries are better equipped to address particular public goods due to their geographic location, expertise, or resources.
 - 2. Cross Commitments:** Countries make commitments in areas where they have a comparative advantage, ensuring more efficient and effective resource utilization. For instance, Norway might commit to researching a cure for Chagas disease due to its advanced healthcare infrastructure, while Bolivia could focus on preserving species in Lake Titicaca, leveraging its unique biodiversity.
 - 3. Enhanced Cooperation:** This approach fosters international cooperation, where countries support each other's strengths and share the benefits of their combined efforts.
 - 4. Global Impact:** Coordinated efforts ensure that the benefits of public goods provision extend globally, promoting overall well-being and sustainability.

Creating Market Demand and Foster Trade

- **1. Generating Demand for Goods and Services:**
- **Specialized Products:** Commitments to public goods, such as cleaning a river or reducing air pollution, create a demand for specialized products like water purification systems, air filters, and environmental monitoring equipment.
- **Support Services:** There is also a heightened demand for services including consulting, maintenance, and training, ensuring the effective implementation and ongoing management of these public goods projects.
- **2. Stimulating Import and Export:**
- **Import of Technologies:** Countries may need to import advanced technologies and equipment from other nations, fostering international trade. For example, a country committing to renewable energy might import solar panels or wind turbines from leading manufacturers abroad

Challenge: Determining what qualifies as a "public good"

- **Public Goods or Goods of public interest:** Goods and services that generate direct or indirect benefits for multiple countries or the global community, particularly where collective action is essential.
- **Criteria for Inclusion:**
 - **Non-Excludability or Broad Accessibility:** Accessible to all countries or a large segment of the global population, ex. Clean air.
 - **Significant Positive Externalities:** Benefits that extend beyond the immediate user. For example a disease eradication, or education.
 - **Critical to Addressing Global Challenges:** Focus on urgent, transnational issues like global warming.
 - **Undersupplied by Markets:** Goods and services not adequately provided by markets like vaccines, or high cost treatments.
 - **Support for Vulnerable Populations:** Prioritize marginalized or vulnerable populations. Ex Humanitarian AID

Examples of public goods for this agreement :

- **Global Health and Well-Being:**

- Vaccines and treatments for pandemics.
- Funding research for antimicrobial resistance.
- Universal healthcare initiatives.

- **Environmental Sustainability:**

- Carbon capture technologies.
- Preservation of biodiversity.
- Marine and terrestrial conservation efforts.

- **Knowledge and Innovation:**

- Open-access educational tools.
- Digital libraries and archives.
- Research in critical fields.

- **Security and Resilience:**

- Disaster preparedness and response.
- Anti-piracy efforts and maritime security.
- Disarmament initiatives.

- **Social Inclusion and Equity:**

- Programs supporting refugees.
- Accessible technologies for persons with disabilities.
- Efforts to reduce inequality

Elements of the agreement of services could be useful to incorporate in the agreement of provision of public goods

1. Schedules of Specific Commitments:

1. Countries submit schedules outlining their specific commitments to provide certain public goods, detailing the terms and conditions under which these goods and services will be supplied.
2. **Purpose:** Ensures transparency and allows for monitoring of compliance.

2. Standardized and Sui Generis Offers:

1. Countries can make both standardized and unique offers, allowing for flexibility in commitments. This accommodates specific national circumstances and capacities.

3. Transparency:

1. Provisions require countries to publish all relevant laws, regulations, and administrative guidelines related to the provision of public goods.
2. **Purpose:** Promotes accountability and helps stakeholders understand their rights and obligations.

4. Progressive Commitment:

1. A framework that allows countries to progressively enhance their commitments over time, accommodating growth and adaptation based on global needs and individual country capacities.

5. Safeguards:

1. Mechanisms to temporarily deviate from commitments under specific circumstances (e.g., economic crises, natural disasters), ensuring such measures are not abused.

6. Exit and Adjustment Mechanisms:

1. Allows for the revision, suspension, or replacement of commitments in response to changes in capacity or global needs, ensuring the agreement remains relevant and effective over time.

Elements of the agreement of services could be useful to incorporate in the agreement of provision of public goods II

1. Review Mechanism:

1. Establishes a periodic review mechanism to assess the implementation and effectiveness of the agreement, allowing for adjustments based on lessons learned and changing global needs.

2. Technical Assistance and Capacity Building:

1. Provisions for technical assistance and capacity building to help developing countries meet their commitments. This includes training, financial support, and sharing best practices.

3. Special and Differential Treatment:

1. Recognizes different capacities and development levels of member countries by offering special and differential treatment to developing and least-developed countries. This can include longer implementation timelines and additional support measures.

4. Most-Favored-Nation (MFN) Treatment:

1. A clause requiring countries, when applicable to treat all member nations equally in the provision of public goods, preventing discriminatory practices and ensuring fair access to these goods.

5. National Treatment:

1. Commitments to provide when applicable access public goods to foreign entities under conditions no less favorable than those accorded to domestic entities, ensuring nondiscriminatory access to public goods.

Conclusion

- By adopting these GATS-inspired elements, the proposed public goods agreement could:
- Enhance flexibility and inclusivity, making it easier for diverse countries to participate.
- Encourage progressive commitment, allowing for adaptation and growth over time.
- Ensure enforceability, leveraging the WTO's dispute resolution system.
- Promote equity, offering support to developing nations and ensuring mutual benefits.
- This approach balances the need for global cooperation with respect for national priorities and constraints, creating a viable framework for the provision of public goods.

Thanks

- LUIS VILLARROEL
- INFO@INNOVARTE.CL
- WWW.INNOVARTE.ORG