

# WORLD TRADE ORGANIZATION

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## FRANCE

### Statement by H.E. Mr. Christian Sautter Minister for the Economy, Finance and Industry

Today, the debate is no longer whether or not we want the development of trade and economic globalization. These are already facts. Twenty years ago, the world economy only comprised the rich countries and a handful of emerging countries. Nowadays, it covers almost the whole planet, except for a few inward-looking dictatorships.

There is no reason to regret this process. It is a factor of democracy: economic openness and political emancipation go hand in hand. It is a factor of growth: the opening-up of economies helps to break away from strategies of autarchic development that are doomed to failure. It is a factor of progress: the mobility of persons, goods and capital has often led to higher living standards.

However, we should not have any illusions. Globalization has also been accompanied by a worrying growth in inequalities. The least-developed countries have been left behind. Criminal gangs or corruption have come to fill the gap sometimes left by States.

France and Europe do not accept that these are some of the obviously harmful, but inevitable effects of globalization. They want the World Trade Organization to be one of the instruments of a collective strategy of shared growth based on fair rules of the game. In a word, a charter for globalization, drawn up by all and in the interests of all.

#### **1. An objective: shared growth**

For 25 years now, a spiral of inequality has been developing: per capita GDP in developed countries has increased by 71 per cent as against 6 per cent in the least-developed countries. And this is not the result of chance: life expectancy in the one is only 51 years as against 71 years in the other.

If we are to break this vicious circle, we need a new policy that links aid and trade. Old protectionist reflexes may have led us to play off aid against openness, but such reflexes have fortunately disappeared: France wants both trade and aid. Together with Europe, it is proposing totally open trade for almost all the goods of the least-developed countries. It is encouraging their regional integration so that they can develop their domestic markets and their exports. And it will continue to be generous in providing development aid, as is shown by the size of its contribution towards cancelling the debts of the poor countries.

The WTO can be at the heart of this project because it is global in scope. In this regard, the many applications to join the Organization, including that from China, are positive features; its mission is not restricted to the technical accounting involved in dismantling customs duties and it can make arbitration prevail over arbitrariness.

## **2. A means: fair rules of the game**

Playing the game of globalization also means having rules. The European proposals are based on this concern for openness and fairness.

Our aim is to free energies for growth and channel them for the common good. It is for this reason that Europe is demanding that increased openness be accompanied by real health safety and the recognition of the multifunctional role of agriculture. It is also why we are asking that fundamental social standards be taken into account, not in order to establish a worldwide minimum wage, but in order to combat child labour and prison labour. Finally, it is the reason why we are demanding that enterprises be allowed to develop within a framework of fair and transparent rules for investment, competition and government procurement.

The mandate entrusted to the European Commission by all the countries of the European Union – without exception – reflects this determination. It has my total support. Here are some of the basic principles.

As far as agriculture is concerned, we wish to keep the tools developed at Marrakesh, including the "boxes", the special safeguard clause or the peace clause; treat all forms of support in a balanced way and take into account the multifunctional dimension of modern agriculture. With regard to services, we are proposing that work now under way be completed and that the framework of rules and disciplines be improved. As regards the environment, the WTO is not the place to define the rules in this field. However, the links between the multilateral environmental agreements and the WTO need to be clarified so that it fully respects the provisions. It must also take into account the precautionary principle.

With regard to intellectual property, we need to strengthen the protection of geographical indications and clarify the rules for registering trademarks. As far as basic social standards are concerned, we prefer an approach based on incentives and encouragement through the creation of a permanent forum between the WTO and the International Labour Organization. With regard to government procurement, we would like to extend the present Agreement and improve transparency. Finally, we need to make sure that cultural diversity is preserved and that the capacity of each State to define its cultural and audiovisual policy freely is guaranteed.

## **3. A method: democracy and consultation**

"Law is the expression of the general will." This great principle bequeathed to us by the French Revolution must be at the heart of our action. This applies in two ways: there must be an agreement by all and an agreement on all. The European Union therefore wants a broad round of negotiations based on the principle of a single undertaking whose outcome would ensure a balance between countries and issues.

To guarantee success, France is open to dialogue with all its partners. It has proved that daily in the course of preparations for this Conference and I am convinced that the misunderstandings that have sometimes been mentioned have now disappeared. There is no protectionism in our vision of society, no doubt about our generosity towards the poorest countries, no hesitation concerning the implementation of the Marrakesh work programme or the review of the operation of the Uruguay Round Agreements, and, in short, no ambiguity in our aspiration to achieve controlled globalization.

The French Government is approaching this dialogue with the strength of conviction resulting from an intense debate with Parliament and a willingness to listen to the views of civil society. Prior consultation has replaced a posteriori justification. I prefer responsibility and transparency, rather than secrecy and ignorance.

In the same spirit, the WTO must accept a more transparent way of operating in order to give it greater legitimacy. The time for carrying on negotiations in the secrecy of closed rooms and embassies is past. The same is true of dispute procedures that only a few experts can understand. The WTO must be an effective and transparent institution at the heart of globalization involving the citizen, working more closely with the other organizations, in particular the IMF and the World Bank.

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The World Trade Organization is an institution that is still new on the world stage. It now has the opportunity to assert itself fully through this "charter for globalization" that I have outlined. The European Union proposals put forward by Pascal Lamy are along the same lines. France hopes that the Seattle Conference will draw up a programme for negotiations which will give priority to universality over unilateral action and which in the next century will place the economy at the service of mankind, whereas spontaneous developments often move in the opposite direction.

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