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Resolution: Fair Trade through Free Trade - Removal of Agricultural Protectionism

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Free trade is one of the most essential elements of liberalism. Free trade encourages people all over the world to bring forward new ideas. They start to be entrepreneurs and create jobs. Free Trade promotes networking and results in peaceful collaboration between people in different countries. The more countries are connected by trade, the less they tend to have warlike conflicts.

Unfortunately, almost all developed countries promote protectionism in their agriculture. This does not only inflict enormous financial losses to the developed countries. It causes much more harm to the developing countries than the development aid of the developed countries helps them.

First, agricultural subsidies lead to overproduction and distort world market prices. Consequently, farmers in developing countries have to sell their products for prices lower than those that would form via free and fair trade. Second, exports into developing country increase due to the subsidies. This results in destruction of local markets and jobs. Third, the European Union and developed countries promote one-directional free trade. They force developing countries to open their markets while keeping their heavily subsidized agricultural policies. A fair and free world market without agricultural protectionism could act as the most efficient development aid.

In order to establish a world without agricultural protectionism we consider the following requirements necessary.

1. The WTO and free trade agreements

Free trade agreements can serve only as a time-limited solution to the problem.

Thus, the developed countries, particularly the US and the EU, should initiate the Doha Development Round for the second time. In doing so, they have to demonstrate their honest will to end their agricultural protectionism.

On this basis it is possible to reestablish the WTO as the most important institution to foster free trade and multilateral negotiations on free trade.



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To establish a democratic WTO it is necessary to:

- Investigate the influence of transnational companies and NGOs (like the International Chamber of Commerce) and undertake reforms to ensure the independence of its decision makers, if needed.
- Increase the transparency by publication of more documents similar to the UN and investigate the possibility of establishing a WTO parliament or another institution of control.
- The sustainable Development Goals of the UN have to play a leading role in all decisions of the WTO.

2. Agricultural protectionism and the WTO

The Uruguay Round has passed rules in the WTO, which allow agricultural subsidies and protectionism. These rules have to be changed:

- The decoupled payments have to be classified as amber-box subsidies, since there are good arguments to assume that they have a very distorting impact on prices.
- The WTO must control subsidies for sustainability and renewable energy in agriculture and intervene when there are hints of masked protectionism and distorting impacts on international trade.
- Countries, which reinstall export subsidies, should be punished.
- Until the developed countries do not end their agricultural protectionism developing countries should be allowed to keep their tariffs in defined amounts and the WTO should intervene, if developing countries are forced to abolish their tariffs.
- All non-qualitative standards for agricultural products have to be checked for their necessity and effect.