

## **Doha: Time to Fix it or Nix it**

*The first rule of crisis management: Put down the shovel*

There's no sugar-coating it: financial service deregulation got us into this economic hole. Corporations were expected to police themselves, and the *free market* was supposed to sort out the problems. To Alan Greenburg's surprise, it didn't happen, and now there's nothing 'free' about the costs to shareholders, taxpayers and those who've lost their pensions.

*But have we learned the lesson?* Will we put down the shovel, or will dig deeper into the hole, past any point where we can climb out?

In September, President Obama told the Group of 20 Nations (G20) that we need to tighten up financial control on the international corporations run amok. Unfortunately, there is a tremendous contradiction between that G20 communiqué calling for more regulation, and the push for deregulation under Doha round expansion. The communiqué calls for completion of the Doha round – which requires additional financial service deregulation – while simultaneously calling for re-regulation.

Our leaders cannot have it both ways.

The Doha Round -- the World Trade Organization's (WTO) negotiation started in 2001—would require further financial service deregulation for the 154 signatory countries, including America. And right now, our position at the Doha round is the same as before the crisis, as if we haven't learned a thing.

As the President hinted in Pittsburg, we need to set a global regulatory floor, and oppose any efforts to impose a ceiling, including rules on consumer protection, systemic risk, derivatives, shadow markets and actors, accounting practices or other financial areas.

But to really put down the shovel, the President must develop a plan to review and repair existing WTO limits on financial service regulation. To actually stop the digging, we need to devise a future WTO negotiating agenda that takes into consideration the harsh lessons of our current crisis. To metaphorically fill in the hole, we need to make changes to the WTO's financial services agreement (FSA), and ensure that the world's governments have the policy space necessary to establish financial service regulation on the domestic and international levels.

It's not surprising that a majority of people across the country support more corporate financial oversight, but this won't happen under current WTO rules and the Doha round. As they chanted in the streets of Seattle ten years ago, "Fix it or nix it!"

It's time for a trade turn around, or at the very least, it's time to put down the shovel.