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***Changing of the guard: expert knowledge and
'common sense' in the Doha Development
Agenda***

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Abstract

This paper examines the generation and uses of expert knowledge around trade matters and the WTO's Doha Development Agenda (DDA) in particular. It examines the input of such experts into the negotiation process, particularly through what is emerging as the dominant method of trade analysis – computable general and partial equilibrium modelling. These are produced with ever greater frequency, particularly at pressure points in the DDA's negotiations, with a view to garnering forward momentum towards greater liberalisation. However, the paper also argues that this 'old guard' of scholars has lost a great deal of the traction that they once had. Five interrelated reasons are put forward for why this is so: (i) (perceptions of) changing global (and trade) relations of power; (ii) the unpicking of the consensus on trade liberalisation; (iii) the emergence of a new cadre of 'ambassador intellectuals' as part of a wider movement of intellectualism emanating from, or sympathetic to, the interests of developing countries; (iv) a noticeable ratcheting up of in-house trade knowledge capacity within developing countries; and (v) fundamental changes in access to information, and the production of knowledge, about trade.

Keywords: WTO, DDA, CGE, experts, rising powers, emerging powers

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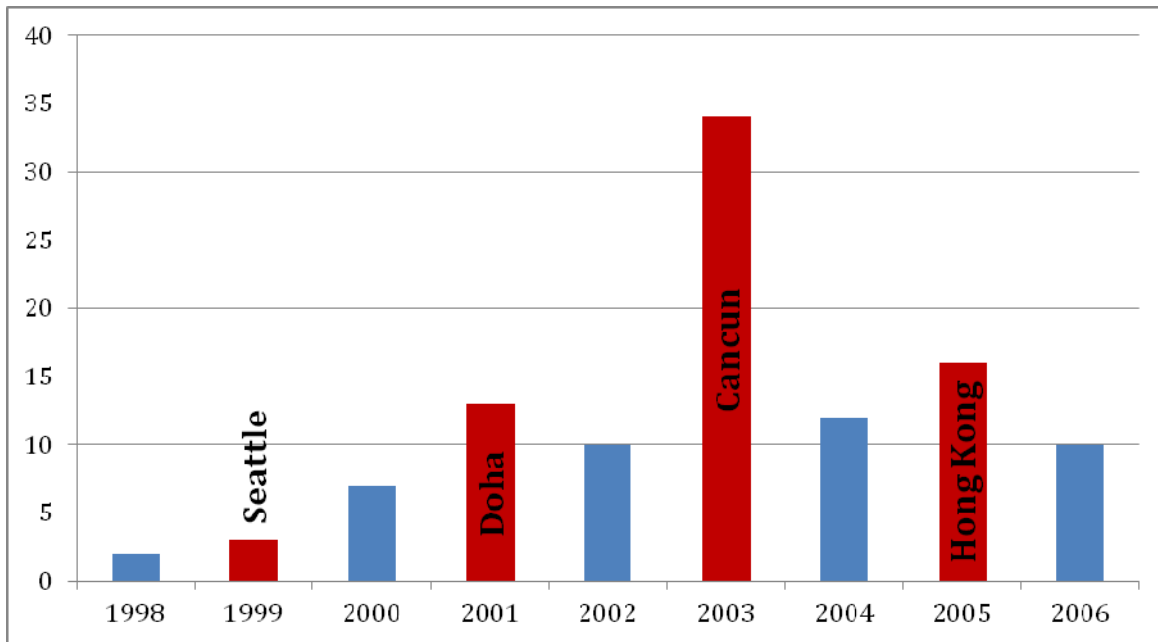
This paper emerges from another research project we undertook, looking at the production of 'knowledge' about trade and the World Trade Organization's (WTO) Doha Development Agenda (DDA, but more commonly known as the Doha round – Scott and Wilkinson, 2011a). We were interested in the factors that accounted for the wide variation in the gains projected from the DDA – for industrial and developing countries alike – generated by a rapidly growing literature utilising computable partial and general equilibrium (CGE) models (see Scott, 2008). Our research drew upon work by Hess and von Cramon-Taubadel (2008) who constructed a dataset of 1,200 CGE studies published between 1994 and 2006. When we began looking through the data, we observed what we thought might be noticeable surges in the production and dissemination of 'knowledge' – in this case CGE-based papers, but also general commentary on trade and the WTO – at key pressure points in the round. So, we set about seeking answers to two questions: was there a correlation between up-and-coming pressure points in the DDA (such as negotiating deadlines, deadlocks that had been produced and so on) and the production of scholarly output (papers, modelling exercises and the like) and practitioner/other organic intellectual (op-eds, longer opinion pieces etc) commentary? And if there was indeed a surge at these moments, did it have any effect?

Measuring the effect of a general groundswell of commentary – particularly in the form of op-eds and other comment pieces often syndicated in media outlets that we were unable to track – proved to be too imprecise, so we then fell back on a more traditional approach of tracking the production of major (CGE) studies, working out a crude measure of the 'impact' for these studies by setting the number of citations they attracted against interviews with key personnel in various trade delegations designed to elicit information about the material used (data and analysis-wise) in shaping national negotiating positions (which are inevitably perceptions of national interests blended with a 'pick and mix' approach towards data collection from those sources that support the advancement of a national position).

We also noticed very early on that while pressure points in the negotiations were triggers for the production of a huge amount of information about the round and papers designed to influence progress therein, the most 'influential' studies – in terms of the frequency with which they came up in Google Scholar searches, in references and cross-references and so on – had two specific characteristics. First, they were uniformly supportive of the broad goal of trade liberalisation; and second, they were agitating for forward movement in the round by advocating the benefits of liberalization, in spite of – to greater or lesser degrees – the specifics of particular political problems that had emerged and increasingly pessimistic CGE projections about the gains from the round.

Figure 1 illustrates the number of CGE studies produced by year drawn from the sample put together by Hess and von Cramon-Taubadel and the trends that piqued our interest.

Figure 1: Studies per year, 1998-2006



Source: Hess and von Cramon-Taubadel (2008).

Two things stood out for us when we put Figure 1 together. First, the production of CGE studies, when plotted on a graph using the year of production and the number of studies produced as reference points, generates a roughly bell-shaped distribution. We see an initial growth in the number of studies produced in the lead-up to the launching of the DDA in 2001, peaking in 2003 around the contentious Cancún Ministerial (the run-up to which had been characterised by growing hostilities over the content of the DDA – see Narlikar and Wilkinson, 2004), before gradually tailing off after 2003. The Hess and von Cramon-Taubadel dataset goes only up to 2006, but further literature searches that we undertook showed that the number of ‘like’ studies remained around the 2006 level, albeit with another peak in 2009. Second, within this overall bell-shaped pattern there are notable peaks in years when a ministerial meeting took place (marked in red), peaking dramatically at the Cancún ministerial meeting of 2003, but with not inconsiderable activity noticeable in 2005 in the run-up to the Hong Kong ministerial meeting (a meeting that was also noted for its political tensions – see Wilkinson, 2006a). As previously noted, a peak is also evident in 2009 (but not illustrated in Figure 1), corresponding to the hosting of the next ministerial meeting (Geneva – see Scott and Wilkinson, 2010). What this told us was that a correlation did exist between the production and dissemination of trade knowledge – particularly CGE simulations – and pressure points in the Doha round.

Our next move was to ask questions about the role that these studies played in trade negotiations, as well as the broader role of the ‘intellectuals’¹ involved in the production of these studies. Our suspicion was that at particular moments in the cycle of trade negotiations, new studies were produced (as well as existing ones repackaged and recycled) for the specific purpose of exerting an influence on the pattern of the negotiations. We also suspected that these studies were often produced by key individuals who were – by dint of their role, reputation, institutional affiliation and/or other – able to exercise an influence precisely because they would be ‘listened’ to. And these studies were produced precisely because there was a reasonable prospect they would be influential. Our next task, then, was to examine in more detail the role played by those studies that, from our initial research, appeared to have the greatest impact. To do this, we extracted from Hess and von Cramon-Taubadel’s sample the ten studies that had had the greatest impact, as measured by Google Scholar citation figures (Table 1).

Table 1 presents the ‘state of play’ as we determined it in September 2010. It should be noted that since then other more recent studies not included in Hess and von Cramon-Taubadel’s sample have rapidly moved up the citations list, notably Polaski (2006). What is interesting about the list is that key scholars recur in the table, notably Kym Anderson, Will Martin, Thomas Hertel and Joseph Francois, indicating a cadre of highly influential individuals, often working together. We looked in more detail at the biographies of the people included in Table 1, and found that all of them have a relationship in one form or another with the World Bank, either as former or current employees (Hoekman, Martin, Anderson, Olarreaga) or as consultants. This inevitably led us to ask questions about the role of the World Bank’s trade team in the generation of trade knowledge and the use of that knowledge in the formulation of national positions, particularly in developing countries. This is the subject of an ongoing investigation and an issue we do not deal with here in detail.

What is also notable is that a number of the studies included in Table 1 make rather generous assumptions or modifications to the standard CGE models to include a range of other effects that are usually excluded because they are too hard to model with any accuracy. For instance, in their model Dee and Hanslow (2000) include expected increases in FDI flows following liberalisation, thus boosting predicted welfare gains.² Francois, van Meijl and van Tongeren (2003) introduce services, again with the effect of greatly increasing the expected benefits of liberalisation.³ Brown, Deardorff and Stern (2003) similarly include a number of areas usually considered to be too speculative, such as increasing returns to scale and increased competition effects. This contributes to their study predicting much greater benefits from liberalisation—over \$2 trillion for complete global

¹ We use the term ‘intellectuals’ here as a descriptor for a group of individuals who, through the application of a particular kind of reasoning and thinking, advocate specific kinds of action consistent with the values they uphold. The emphases here are on action, self-perception and value systems. Hence, in this formulation trade intellectuals are a broad group that acts to advance ideas – but not necessarily uniform ones – about trade and the social world, with the specific purpose of influencing trade negotiations in a manner consistent with the values and interests to which they have – or believe they have – an organic connection.

² Note, however, the evidence on the relationship between trade liberalisation and FDI is mixed. See Narula and Driffield (2011) and the associated special issue for a broader discussion. Suffice to say that the inclusion of FDI effects into CGE analyses remains speculative.

³ Similar reservations as those raised about FDI in the footnote above apply about the degree to which this is justified by the current state of knowledge.

Table 1: Top ten most cited simulation studies

AUTHOR(S)	YEAR	PLACE OF PUBLICATION	CITATIONS	CITATIONS PER YEAR
Anderson and Martin	2005	<i>World Economy</i>	321	54
Dee and Hanslow	2000	Australian Productivity Commission Staff Research Paper	208	19
Hertel and Keeney	2006	In Anderson and Martin (2006)	123	27
Hertel, Anderson, Francois and Martin	2000	CIES Policy Discussion Paper No. 276	121	12
Bouët, Bureau, Decreux and Jean	2005	<i>World Economy</i>	112	19
Francois, van Meijl and van Tongeren	2005	<i>Economic Policy</i>	110	18
Diao, Somwaru and Roe	2001	in Burfisher (ed.) <i>Agricultural Policy Reform</i>	109	11
Hoekman, Ng and Olarreaga	2002	World Bank, Policy Research Working Paper Series	101	12
Brown, Deardorff and Stern	2003	<i>World Economy</i>	86	11
Francois, van Meijl and van Tongeren	2003	Tinbergen Institute Discussion Paper	56	7

Source: googlescholar.com searches, performed September 2010. Note that two papers in the Hess and von Cramon-Taubadel (2010) sample achieved a higher number of citations, but were removed from the list as they were not concerned with the DDA.

removal of tariffs – than found in other studies. Meanwhile, Hertel, Anderson, Francois and Martin (2000) model the benefits of the Uruguay Round, assuming a 40 percent reduction in trade barriers in agriculture, mining, manufacturing and services, which is far higher than was actually achieved.⁴

The point here is not that the innovations in modelling should be resisted – it is critical for the continued improvement of the models. Nor can modellers be blamed for including what turn out to be inaccurate assumptions. Assumptions must be made in an area of less than perfect knowledge, and sometimes they will be subsequently found to have been overly generous. Nonetheless, it is notable that other CGE analyses that are less generous in the assumptions made, or which modify the models in ways that lessen the predicted gains, are not found among the most-cited. For example, Valenzuela, Anderson and Hertel's (albeit more recent) study (2008: 402-403) examining the effect of modifying the standard GTAP model such that tariff revenue losses are replaced by

⁴ There was, for instance, substantial 'dirty tariffication' undertaken by the rich countries when converting non-tariff barriers into tariffs, possibly *increasing* the level of protection afforded their agricultural sectors rather than introducing a 40 percent cut. Arvind Panagariya, for instance, finds that the scheduled tariff equivalent rates exceeded the actual equivalent tariff rates by a proportion of 61 percent for the EU and 44 percent for the US (Panagariya 2002: 1219).

increasing indirect consumption taxes (and note here that these are scholars that are among the 'elite' of CGE analysis), received only four citations per year.

What we noticed emerging, then, was a great deal of interest in the DDA generally, with a noticeable intellectual industry around the time of crucial pressure points (in terms of general commentary and, more specifically for our purposes, the production of CGE papers). We also noticed that most of the commentary that proved to be in some way influential (drawing on citation figures) was pushing a pro-liberalisation agenda; and that many of the studies on which this commentary was based were from the more 'experimental' end of the CGE spectrum *and* often predicted greater than average gains.

It is at this point that we felt able to begin to lay out seven speculative hypotheses worthy of further investigation (see Table 2). Our interviews suggested that CGE studies had early on in the round played an important *political* role in the formulation of national positions, so we felt comfortable in putting this to the test. We had identified a cadre of influential trade intellectuals with relationships with the trade department of the World Bank, so here again we thought this worthy of further investigation. We felt we were on safe ground suggesting that the most high-profile studies set out conclusions consistent with status-quo power relations among WTO members. Likewise, we were pretty sure that the correlation between pressure moments and surges in knowledge production was strong. We suspected that the dominance of the most influential studies acted to crowd out alternative sources and forms of knowledge. And, given the limited resources of developing countries, and what we know of their processes of knowledge accumulation, we suspected that these reports were drawn upon by least developed countries in developing their negotiating positions which, for us, we concluded would have negative effects. Clearly, further research was needed.

Table 2 – First cut hypotheses

CGE studies play an important political role for national delegations.
The most significant studies play a role in establishing common-sense understandings about the value, and conclusion, of the Round.
A cadre of economists associated with the trade department of the World Bank are the principal authors of received wisdom.
The findings of these reports tend to support existing power relations among WTO members.
The timing of a study's publication plays a role in encouraging forward momentum in the DDA, though how strong this is has yet to be determined.
The continual reproduction of the wisdom contained in these reports and their repeated citation has the effect of crowding out other accounts and forms of knowledge.
LDCs draw their economic wisdom from these same networks and reports, disadvantaging them further.

It is at this point, however, that we began to run into problems. Three issues in particular began to concern us. First, while it was the case that most of the studies were encouraging forward

movement in the negotiations, little progress was being made in the Round. Indeed, almost from the outset the negotiations have lurched from one crisis to another. Yet, the negotiations took a noticeable turn for the worse after the 2005 Hong Kong ministerial meeting (see Lee and Wilkinson, 2007); and despite a notable high point in July 2008, when an agreement came closest to being reached, the DDA has come to be characterised by extended periods of stasis. Second, we knew from our other work that the use of CGE modelling was a relatively new feature of trade knowledge production, but that (a) intellectuals (academic and practitioner, including what we later term ‘ambassador intellectuals’) had been actively pushing forward ‘common sense’ knowledge about trade liberalisation and the value of maintaining forward momentum in negotiations since the GATT was first negotiated (see Wilkinson, 2009); and (b) a similar pattern, albeit much reduced in scale (because of a lower public profile and an absence of internet technologies), of knowledge production at pressure points in negotiations had existed.

Third, we knew anecdotally from our interviews that the wisdom of these intellectuals had once been heavily drawn upon and their common sense ideas about trade – and the need for forward movement in negotiations – had been used relatively uncritically by those trade delegations that had been in the market for knowledge upon which to develop national positions, hence we had thought that this was a relatively incontrovertible hypothesis.⁵ What was also clear, however, was that this intellectual output – or at least the output that was attracting the highest citation scores and biggest internet profile – was losing traction and no longer having an influence in the negotiation process. Indeed, this loss of traction was confirmed to us in discussions with a number of developing country negotiators, who reported that while they were aware of the studies being undertaken (in fact they quoted them if they supported their country position – see Scott 2008) they did not place any great store in them generally.

Several other factors influenced our thinking at this point and were important in helping shape our research hereafter:

- (i) while the number of CGE and other studies produced has tailed off since the negotiations hit a stalemate, their production has not ceased (and has fallen back to a level that might be expected at a time of negotiating fatigue and stasis). Indeed, new studies continue to be produced and there seems to be no end to this intellectual industry;
- (ii) clearly, these studies are not being produced simply for the sake of it. They are being developed with the general aim of influencing a wider conversation about the benefits of trade liberalisation and the merits of pursuing the Doha round negotiations. Thus, there is a common assumption that these studies, and the intellectuals behind their production, might have an influence; hence it is important to work out what their impact is, if any; and
- (iii) it is also clear that familiar individuals – as well as those sympathetic with their positions – are still active in the production of these studies (what we refer to as the ‘old guard’); but it is

⁵ Prior to the Uruguay Round many smaller, less able developing countries did not engage in trade negotiations, participating in the GATT merely as nominal contracting parties. It is equally true, however, that a small but significant number of developing countries were much more actively engaged in negotiations, as well as in the day-to-day workings of the GATT, than much of the scholarly literature suggests (see Wilkinson and Scott, 2008). It is perhaps unsurprising that the delegations from this group drew less upon the common-sense knowledge of old order intellectuals, preferring instead to draw upon their own resources.

equally clear that a new cadre of intellectuals has entered the fray and begun to comment on trade negotiations publicly. This new cadre are distinct in that they either come from – or their interests are aligned with – non-dominant states' interests in the multilateral trading system (largely from developing countries). They are also distinct in that they are gaining significant influence and tend to hold high status positions which lend gravity to their case. This is particularly true of a new group of public commentators who hold, or have held, the position of Permanent Representative to the WTO and which we term 'ambassador intellectuals'. We return to this group below.

So, in establishing that there was a link between pressure points in trade negotiations and the generation of knowledge, as well as working out which studies were the most significant in decisions about the Doha round, we stumbled upon a situation wherein the activities of, and the common sense pushed by, a group of trade intellectuals no longer has the traction that it once did. Our question then became: 'why had the knowledge produced by these intellectuals and the knowledge they produced lost traction?'

In the following section we offer our thoughts on why the old guard of intellectuals and the knowledge they produce has lost traction. We attribute this shift to five factors relating to: (i) (perceptions of) changing global (and trade) relations of power; (ii) the unpicking of the consensus on trade liberalisation; (iii) the emergence of a new cadre of 'ambassador intellectuals' as part of a wider movement of intellectualism emanating from, or sympathetic to, the interests of developing countries; (iv) a noticeable ratcheting up of in-house trade knowledge capacity within developing countries; and (v) fundamental changes in access to information, and the production of knowledge, about trade. In the final section, we offer our concluding comments.

Why doesn't the old guard cut it any more?

In this section we discuss the emerging findings of our research. We draw these findings from interviews conducted over the course of the DDA on this and related topics, set against our analysis of shifting patterns of trade and global politics and longstanding research interests in the political economy of international trade. Our findings are, at this stage, preliminary; we nonetheless believe that they are sufficiently plausible to explain why the knowledge produced by an old guard of trade intellectuals no longer has the purchase it once had in contributing to forward momentum in trade negotiations.

It is important to highlight at this point that we are not suggesting that trade intellectuals, particularly those that are not formally employed by a member state, have a huge impact on the future direction of trade negotiations. It is, however, also the case that at moments in the history of the GATT/WTO these intellectual have played a major role in establishing the character of the multilateral trading system, as well as the boundaries of discussion therein (see, particularly, Viner, 1947; Feis, 1948; Wilcox 1949; Brown 1950); and these boundaries have traditionally set the tone of scholarly analyses of, and investigations into, various aspects of the multilateral trading system (see, for example, Curzon 1965; Kock 1969; Srinivasan 1998; Bhagwati, 2005; Bergsten, 1975; 2005; Krueger, 1998). Moreover, at moments of intransigence the industry of these intellectuals has contributed to the creation of a general pressure – in part through a 'crisis discourse' (Wilkinson,

2009) – designed to encourage forward momentum in the Round. And, for much of the history of the GATT/WTO, this group of intellectuals held a *de facto* monopoly on knowledge and common sense about the multilateral trading system. Here, the underlying assumptions were that trade liberalisation was unquestionably beneficial, and that, among other things, liberalisation processes needed to be kept in motion; that developing countries were in large measure ‘free-riders’ on the concessions of the major trading powers; and that newly industrialising powers (such as, first, Japan, later the newly industrialised countries of East Asia, and more recently, China and India) utilised unfair government advantages to bolster their trade performance (Navarro, 2011; see Bhagwati, 2002: ch. 2 for a discussion).

It is important to underline here that it is not just that an older cadre of trade intellectuals is no longer able to influence progress in Rounds and maintain a near monopoly on knowledge about trade. These intellectuals clearly still have a role to play and their appointment to various advisory roles and presence in and around trade issues, including in the WTO, ensures that this role will continue. It is, nonetheless, the case that the knowledge produced by this group is itself subject to challenge and the relative influence the group commands has declined.

More broadly for us, this challenge represents one aspect of a wider critical moment that has opened up in the developmental trajectory of the GATT/WTO in an evolutionary path that has otherwise been rigidly unmoving in its direction. Indeed, since the GATT was first negotiated, very little has changed about the operational, legal or knowledge aspects of the multilateral trading system; and even moments when significant change is generally held to have taken place – such as in the movement from GATT to WTO – this change has been more one of scale than substance (see Wilkinson, 2006b). Our perception is that at a moment wherein power relations are generally held to be shifting, but where little evidence exists of this shift being translated into substantive outcomes (i.e. the DDA has not yet been concluded, or some other outcome arrived at that is relatively more favourable to emerging powers than would have previously been the case), ‘hidden’ movements like this shift in intellectual power are important indicators of change. Whether these changes will be translated into a wholesale movement is of course subject to debate.

(Perceptions of) changing global (and trade) power relationships

Much has been made in the past decade of changing global relations of power. A good deal of this commentary has centred on the rise of the BRICS⁶ and other, variously identified, fast growing, large developing countries (see vom Hau, Scott and Hulme, 2012). These changes, as well as the perceptions of change that they have ushered in (but which have not yet necessarily been translated into substantive outcomes), have had a profound impact on the WTO and have for many analysts played a key role in the impasse that currently afflicts the DDA. For many, the first flexing of emerging world muscle took place at the September 2003 Cancún Ministerial Conference (see Narlikar and Wilkinson, 2004). Coalescing around the major BRICS powers, the G20 coalition of developing countries was formed to resist US-EU pressure. Since then, the G20 has gone on to play a significant role in setting the agenda and formulating compromises across the whole range of DDA issues. It has pushed for greater concessions from the industrial countries on agricultural

⁶ Brazil, Russia, India, China and South Africa.

subsidies and resisted pressure for radical liberalisation in non-agricultural goods (so-called non-agricultural market access – NAMA).

And yet, the case of the G20 also raises a note of caution. These countries, for all the talk of their rise, must still act in a coalition within the negotiations to make their influence felt. It is likely that none have sufficient weight to either change the agenda singlehandedly, or to resist a package that has broad support elsewhere. This is in marked contrast with the US and EU, which continue to be the dominant voices in the negotiation process and can each singlehandedly block the conclusion of the Round and change the contours of the package by virtue of their political and economic power. Inevitably, this is particularly true of the US, which remains the dominant global force. The US has, for example, secured an amendment to the Agreement on Agriculture that will expand the (unlimited) green box of subsidies to include its counter-cyclical payments, which are currently part of the (limited) blue box, thoroughly in contradiction to the supposed aims of the Round. It is inconceivable that any one of the BRICS could manage something similar, and highly unlikely that they could achieve it acting in concert. And, even in concert, the G20 have yet to push through an agreement, so far only having been able to block progress.

The continued rise of these new powers is often presented as being inevitable, but this also must be treated with caution. New powers have come and gone; or else they have risen and remained and become subsumed into the US-EU-led trade project playing very much by the rules of the game (this is very much true of Japan's 'aggressive legalist' approach to the GATT/WTO; and early indications suggest that China's engagement with the WTO is very much status quo orientated – see Ichirō 2007; Scott and Wilkinson, 2011b). Indeed, a significant number of those countries that have successfully managed the process of development have become 'stuck' – this is particularly true of previous emerging powers: Australia, Canada, Japan and Korea. Indeed, Robert Wade (2010) argues that there are fewer 'contenders' to rich country-status now than there were 40 years ago. Middle-income countries today, he argues, have become caught in the middle:

their firms [are] stuck in the relatively low value-added segments of global production chains, unable to break into innovation-intensive activities or into the market for branded products, where the high profits are to be made (Wade 2010: 152-153).

China in particular faces severe challenges as it shifts its growth model away from exports and manages the process of political liberalisation (see, among others, Huang 2008; Hutton 2007), although it has so far been remarkably successful at handling the challenges thrown up by its rapid economic emergence.

The change in power configuration within the WTO is undoubtedly real, but until the Round has been concluded (if it is concluded) and the final details of any package are clear, caution must be exercised towards any claims that the US and EU have truly lost their previous dominance. At this moment of crisis within the Western world brought about by the collapse in financial markets and the political-economic model underpinning the financial system created over the last several decades, perceptions of and discourses around decline and external threat gain purchase. Similar things were said in the 1970s when stagflation haunted Western economies, and more dynamic East Asian countries (principally Japan but also the Newly Industrialised Countries) were feared to be leaving them behind.

That said, the adjustments that the rise of the BRICS have brought in the multilateral trading system, coupled with growing tensions between these emerging powers and the US and EU, have underpinned a shift away from the use of trade simulation models and other trade knowledge produced by intellectuals deemed sympathetic to Western interests in favour of knowledge that has a greater sensitivity to the interests of non-Western states. Thus, the contemporary rise of China, India and the perceived decline of the West has nonetheless contributed to the shifting away from the 'old guard' and the Western-dominated narratives they have propounded concerning trade liberalisation. In part, this shift has been spurred on by the rekindling of interest in more interventionist models of development; but it has also been assisted by the emergence of a new cadre of trade intellectuals, a noticeable development of in-house analysis capabilities particularly in the delegations of emerging countries, and a greater global market of trade knowledge and information. We now turn to each of these factors.

The new developmentalism

Associated with this shift in power relations is an ideological shift that has taken place over recent decades. The strongly pro-liberalisation, neo-liberalism of the 1980s and 1990s has given way (albeit partially) to what has been termed a 'new developmentalism' (Bresser Pereira, 2010). This has seen a reaffirmation of the role that the state plays in fostering the transition of developing countries onto a path of sustained, high economic growth. Lessons drawn from the waves of Asian countries in securing rapid economic development has led to the identification of the 'developmental state' (Johnson 1995; Woo-Cumings 1999; Wade 2003; also Cerny, 1997), in which the government plays a key role in directing resources (both state and private) into sectors delivering high productivity. The idea of the developmental state took a large step forward into mainstream thinking when the World Bank based the *World Development Report 1997* on the concept, arguing that 'development requires an effective state that plays a facilitator role in encouraging and complementing the activities of private businesses and individuals' (World Bank 1997: iii). More recently, the rise of China has reiterated the role that the state can play in the development process. Meanwhile, the experience of African de-industrialisation accompanying the liberalisation undertaken there over the last three decades has highlighted the importance of protecting infant industries in the early stages of industrialisation.

These developments have seen the pseudo-consensus⁷ around the value of trade liberalisation that reached its apogee in the 1980s and 1990s – when the Uruguay Round was being negotiated – dissolve, to be replaced by a new (pseudo-)consensus around the idea of the developmental state, including the use of targeted tariff protection for infant industries. As Bresser Pereira (2010) argues, this is not the inward-looking and comprehensive protection that became associated with the import-substitution development model, but resembles more the outward-orientated export promotion of the Asian economies.

⁷ We term this a 'pseudo-consensus' because, although the 1980s and 1990s saw a large degree of autonomous liberalisation by developing countries and there was a genuine shift away from import substitution, the idea of free trade has never commanded complete support from developing countries. Protection for infant industries, for instance, has remained an element of development strategies since at least the Industrial Revolution.

Against this new developmentalism, what is becoming the dominant method for assessing trade deals – CGE analysis – sits awkwardly. Unless the more speculative and contentious extensions of CGE modelling discussed above are included, CGE analysis in essence merely calculates the gains Adam Smith and David Ricardo identified in shifting the factors of production out of less efficient and into more efficient sectors of the economy, and using trade to access goods that are no longer produced domestically.⁸ As such, there is a disconnect between the economic theory underpinning of the principal tool of trade negotiation analysis and that underpinning almost all developing countries' development strategy. It is likely that some low-income countries lack the technical capacity to articulate these issues, but in interviews with African delegates in particular we have found that there is deep scepticism towards the numbers generated by current CGE analyses. This reflects the fact that African trade ministries that are trying to industrialise and diversify their exports find little value in analyses of trade gains that are based entirely in the welfare effects of further narrowing their economic production into those areas in which they currently have a comparative advantage, principally raw materials.

In addition, the predicted gains made by CGE analysis, no matter how economists dress them up, are small. For example, in the most cited paper in Table 1, Anderson and Martin's headline message is that '*[t]he potential gains from further global trade reform are huge*' (Anderson and Martin: 2005: 1309, their emphasis). In fact, the returns they calculate for the removal of all tariffs and subsidies are a little less than \$300 bn. This represents a one-off increase in GDP of around 0.8 percent for low- and middle-income countries (Anderson and Martin: 2005: 1310).⁹ The developing world is currently growing at seven to eight percent a year. Within that context, an extra one-off 0.8 percent increase is not of great consequence. Most CGE studies around trade negotiations are clearly aimed at advancing an agenda – further trade liberalization – but ultimately their impact has been undermined by the very limited gains that they predict, notwithstanding the other problems with CGE models we outline above (see Scott, 2008 for more detail).

As noted above, many low-income countries lack the technical capacity to fully understand the details of trade modelling exercises. However, others have substantially increased their technical capacity over recent decades, assisted by the WTO Technical Assistance and Capacity Building programme and by growing domestic resources. Some developing countries are now able to conduct their own analyses in-house, and do not rely on those produced externally by international institutions and scholars. This is a significant change. The assumptions underpinning CGE analyses are often inappropriate with regard to developing countries, threatening to exaggerate the predicted benefits. Bringing the analysis in-house enables a greater control over such factors and weakens the influence that external intellectuals have over attitudes towards liberalisation.

⁸ Technically this is known as the 'static gains' from trade liberalisation.

⁹ It is important to recognise that since this is a calculation of static gains only, it is not a year-on-year increase. That is, it raises growth by 0.8 percent for one year only. Anderson and Martin, as is often the case in discussing these numbers, are somewhat misleading when they say this will 'boost global welfare by nearly \$300 billion per year by 2015' (Anderson and Martin 2005: 1309). It is not a year-on-year increase of \$300 bn. It is a shift in annual GDP upwards by \$300 bn.

The new ambassador intellectuals

If changing relations of power and challenges to political-economic orthodoxy can be said to have begun to unpick the *de facto* monopoly on trade knowledge production of established trade intellectuals, then the emergence of a new cadre of intellectuals has accelerated that shift. What is striking about trade commentary since the 2005 Hong Kong ministerial meeting is the growth in, and increasing prominence of, a group of trade intellectuals either sympathetic with the broad plight of developing countries or else organically connected with Southern states. The most significant development in this movement has been the emergence of a new cadre of ‘ambassador intellectuals’, a group of serving and past permanent representatives to the WTO who are actively engaged in public commentary on trade issues. Key among this group are Faizel Ismail (South Africa), Ujal Singh Bhatia (India), Sun Zhenyu (China) and Debapriya Bhattacharya (Bangladesh), but it also includes others, such as Celso Amorim (Brazil) and Love Mtesa (Zambia). This group have been important in establishing a credibility to an alternative form of trade knowledge that, in varying degrees, pushes against free-trade orthodoxy, opening up greater space for the role of industrialisation policies in national policy formulation and remedial measures for less able – particularly least developed – states. The growing importance of many of the states they represent both increases the importance of their message and helps to facilitate its dissemination. The rising powers in particular cannot now be ignored, and while in the past the criticisms the developing countries made of the trade system were sidelined, this is no longer tenable.

What the emergence of this cadre of ambassador intellectuals have also done is create greater credibility to other sources of broadly ‘critical’ knowledge about trade that have been struggling to be heard since the initial highlights of the Seattle and Cancún ministerial meetings fell away. Key sources associated with this knowledge are the South Centre, Focus on the Global South and Third World Network, each of which both helps disseminate the work done by the ambassador intellectuals noted above, while also producing its own Southern-focused analyses of and commentary on trade issues.

Bringing knowledge production in house

A fourth factor that has contributed to the relative loss of traction of pre-existing trade knowledge has been the development of a greater analytical capacity by particular trade delegations. While it was once the case that the CGE projections produced by orthodox trade intellectuals were the first – and for some the only – stop for information and analyses of trade rounds, many larger developing countries have now developed an analytical capacity which means they no longer rely on others for their analysis, though many they use the data provided by the World Bank’s Trade and Integration research programme. Brazil and India were early movers in the development of an independent trade knowledge capacity. Likewise, Japan invested heavily in its own trade analysis capacity after joining the GATT (even though, as noted above, this was entirely consistent with status quo knowledge about trade – Ichirō, 2007), as did South Korea, Taiwan, Singapore and Hong Kong. Post-Apartheid South Africa has done likewise in the past two decades. And China has invested considerable capital in the development of its trade resources, equipping it with the largest permanent trade delegation of any WTO member, among other things.

While these developments have enabled the larger developing countries (historically and contemporarily) to rely less on existing trade wisdom, it remains the case that many less able developing and least developed states have not benefited from such a development. What is striking here, however, is that a greater sharing of knowledge among Southern countries has developed which has itself undermined the validity of conventional wisdom. Some countries, like Brazil, run courses for trade missions designed to share knowledge among African countries about trade. And although there are good reasons to believe that these programmes serve to underpin Brazilian influence in Africa, at the same time they have also consolidated the credibility of non-orthodox sources of knowledge, undermining further the traction of the old guard.

A global market for knowledge and information

Compounding matters has been the extraordinary surge in interest in trade issues, coupled with the dramatic development of the internet, since the WTO was first established. One consequence of these developments has been to make CGE models, and other orthodox forms of trade knowledge, more widely available – which has clearly been a factor in ensuring the extent of their dissemination. A second consequence has been to increase the diversity of views about trade that has been brought into the public domain. In many regards, this simply mirrors the role of the internet in breaking down the old forms of knowledge ‘gatekeeping’ played by the traditional outlets of news and academic opinion more generally. The open, democratic nature of the internet has brought about a great widening in the range of voices available, including its fair share of crackpots. Developing countries (and others) have available, with great ease, a larger range of analysis and opinion concerning the agenda within the WTO, helping to protect their comparatively inexperienced and overstretched trade missions from being pressed into accepting an agreement that is not fully in their interests. This threat was clearly visible in the Uruguay Round, in which few low-income countries had the capacity to either read the full agreement, much less to understand its implications. As one delegate has noted to us in an interview:

[t]he majority of developing countries did not know what they had negotiated in the Uruguay Round. Only later did they understand what they could have got and [what they had] given away.

The greater range of opinion and the easy availability of analyses from a range of perspectives help to protect countries lacking in state capacity from similar experiences.

The internet has also greatly facilitated the process of undertaking in-house analysis. CGE models, for instance, including the most widely used GTAP, are freely available and take minutes to set up. Performing simulations using these models is relatively straightforward, though it should be noted that there is a gulf between merely generating outputs with such a model and understanding how the model works, the assumptions it is based on and any potential shortcomings. More importantly, the availability of data is much improved and further increasing all the time, with extremely comprehensive tariff schedules available in spreadsheets. The task of analysing the impact of a potential deal on the tariffs of either your own country or a trade partner has been reduced from taking weeks to a matter of hours (or even minutes for anyone good at it).

Conclusion

A number of conclusions can be drawn from the work we have done up to this point, but there are also a number of issues that are not yet fully resolved. Our investigation of the declining traction of old guard knowledge arises from a set of questions we found prompted by our previous research and by the discussions we have had with current and former trade diplomats and commentators from across the developing world. Our research pointed to two somewhat contradictory phenomena that have taken place over the last ten years or so. The first relates to the dramatic emergence of CGE modelling as the method of choice for analysing trade agreements, and the explosion of papers that has taken place using this method. Examining this literature, we found that there was clear evidence that these papers were being produced at key moments in the DDA with a view to influencing, and in particular creating forward momentum in, the negotiations. An elite group of scholars producing the most influential studies was evident, often working together with one another, all of whom are connected in one way or another to the World Bank. We have found that the most influential papers, as measured by citation indices, are often the most 'innovative'. However, that innovation was consistently in a certain direction, increasing (and perhaps overstating) the calculated benefits of trade liberalisation. This elite group is found to be helping to push the trade agenda in a liberalising direction, consistent with prevailing power relations.

Despite this scholarly intervention, and despite the information we have from interviews concerning the influence it has had over past trade rounds, the DDA has suffered consistent setbacks and has – for the moment at least – run aground. In addition, the more recent interviews we have conducted with developing country trade delegates point to this scholarly work no longer having the influence it once had. The combination of these two facts – the DDA's impasse and the loss of influence – clearly demonstrate that this old guard have lost traction and are not able to shepherd the process of trade reform in the way previously seen. The former ability of this cadre of intellectuals to construct a 'common sense' around the GATT/WTO and the trade liberalisation project has broken down, with new voices and alternative narratives coming to inform the trade agenda.

The second half of the paper set out a five-part explanation that we consider to underlie why this has occurred, relating to power relations, history and technological change. First, global power configurations are shifting and some countries of the global South are rising to greater prominence, particularly the BRICs. These countries, and others, have greatly increased the 'voice' of the South in the negotiations, helping to ensure that their perceptions of trade and trade liberalisation are heard. Second, there has been an unpicking of the consensus (such as it was) on trade liberalisation. This is partly because the rising powers and the other successful Asian states have all followed a much more interventionist trade policy than that espoused by the Washington Consensus, but also it reflects the poor results of liberalisation for many low-income states.

Third, there has been an emergence of a new cadre of what we have termed 'ambassador intellectuals' coming mostly from the (broad set of) rising powers, with a large amount of experience 'at the coal face' of trade negotiations and a high degree of technical knowledge. This group is able to articulate and rationalise the position of developing countries, including when it is at odds with the views espoused by the old guard. Fourth, partly as a result of economic growth and better resources, but also as a response to their negative experience of the Uruguay Round, developing

countries have greatly increased their in-house trade knowledge capacity. They are no longer reliant on externally produced analysis, weakening the influence of those that traditionally have produced those papers. And fifth, there have been major changes to access to information and the associated production of knowledge about trade. The internet has facilitated a great broadening in the range of opinions disseminated, including through Southern-based NGOs, and the availability of the resources required to undertake in-house trade analysis.

Much work remains to be done to further substantiate our argument, to unravel the consequences of its findings, and to reflect back theoretically on what this means for the way we understand the production of (trade) knowledge and its effects, as well as the role of organic intellectuals old and new in institutional development. However, the preliminary work that we discuss above sets out some of the complex interplay between material factors, ideology, history and technology that must be teased out and conceptualised to understand the role of expert knowledge in the WTO. For us, this remains work in progress.

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