MANCHESTER 1824

The University of Manchester

development@manchester
cross-disciplinary perspectives on development research

issue 2
November 2009

Concluding the Doha Round

What's going on at the WTO and why it's unlikely to help the world's poorest

Rorden Wilkinson, Associate Director, Brooks World Poverty Institute, and Head of the Centre for International Politics, University of Manchester

On 30 November 2009 the World Trade Organisation (WTO) will host its 7th Ministerial Conference – a biennial gathering of member states' trade delegations – in Geneva. The meeting is particularly important because it takes place within sight of what WTO Director-General Pascal Lamy hopes will be the finishing line for the Doha round of trade negotiations. While expectations for the meeting have been scaled back to avoid an embarrassing repeat of the failed Seattle (1999) and Cancun (2003) meetings, any deal brokered by the conclusion of the round has the capacity to deliver real-world market openings that promise to boost a global trading system still mired in financial crisis. While it is doubtful that the meeting will result in an agreement that will significantly move the round forward, the wholesale collapse of the talks looks unlikely, and negotiations will almost certainly be concluded in the short- to medium-term.

In contrast to previous meetings, the Geneva Conference has attracted surprisingly little attention. Its outcome matters nonetheless. Though the stated focus of the conference is 'The WTO, the Multilateral Trading System and the Current Global Economic Environment',[1] the meeting will inevitably provide an opportunity to focus on progress in a round of negotiations that has, since it was launched in 2001, lurched from one crisis and deadlock to another.[2] And while the round remains riven with tensions over, among other things, agricultural subsidies, non-agricultural market access (NAMA), special safeguard mechanisms, participation and transparency, the shape of the final outcome has been perceptible since the conclusion of the WTO's Hong Kong Ministerial Conference (2005).[3]

As in previous rounds, the Doha negotiations pitch developing countries against their industrial counterparts. Indeed, it is the perception of unfair market access opportunities accruing to the industrial countries during the previous Uruguay round (1986-1994) that has motivated developing countries to seek a measure of rectification in, and was a major dynamic in the launch of, the Doha round. That said, the existence of a fracture between North and South is a little misleading. Tensions among member states are more complex than this caricature suggests. It nevertheless remains the case that the overall balance of concessions in the previous eight rounds of negotiations lies firmly with the industrial countries. It is this asymmetry, and the perception that it needs to be corrected, that frames the Doha negotiations.

So what's at stake? One of the biggest complaints about the Uruguay round was that despite the negotiation of an agreement on agriculture, the extent of the market access granted to industrial country markets (especially those of the US and EU) was insufficient. Moreover, the implementation of the Uruguay accords proved much slower than expected delaying any potential benefits. In addition, many developing countries believed that the concessions they gave in return for an agreement on agriculture (as well as one on textiles and clothing and a smattering of special and differential provisions throughout the WTO's legal agreements) were relatively costly, particularly as they enabled the industrial states to gain disproportionately in, among other areas, services (under the General Agreement on Trade in Services, GATS), intellectual property right codification (under the Agreement on Trade Related Intellectual Property Rights, TRIPs) and non-agricultural goods. Hence, one of the major goals of developing countries in the current round has been to secure greater agriculture market access to industrial countries as well as to rectify a measure of Uruguay's asymmetry. And, perhaps more importantly, the developing countries only agreed to the new round on the basis that development would be its primary focus.

Herein lies the rub. For all the talk of development, the development aspects of the round have been increasingly boiled down to a focus on agriculture (with a few additional sweeteners such as Aid for Trade thrown in along the way). While it is clear that a conclusion to the round will not occur unless movement on agricultural liberalisation is forthcoming, the quid pro quo (more than likely greater NAMA access to developing country markets) will ensure that the deal struck remains of relatively greater value to the industrial countries. The result is thus likely to be of little benefit to the WTO's poorest and most vulnerable members. The Geneva Ministerial Conference is unlikely to change that outcome significantly; and the decision not to focus on progress made in the round during the meeting might just compound matters further.

Policy points

- Focus on rectifying the anomalies of the Uruguay round
- Enhance the prospects for meaningful trade concessions for the poorest and most vulnerable countries
- Press for substantive liberalisation of industrial country agricultural markets as well as greater market access for developing countries on a range of products that matter to their economic development
- Implement a robust mechanism for reviewing the relative benefits of trade rounds for all WTO members

Resources

For daily commentary and analysis of the ministerial conference and the Doha round see: www.ictsd.org

References

1 http://www.wto.org/english/thewto_e/minist_e/min09_e/min09_e.htm

2 See, Rorden Wilkinson, The WTO: Crisis and the Governance of Global Trade, (London: Routledge, 2006); also Rorden Wilkinson, 'Language, power and multilateral trade negotiations', Review of International Political Economy, 16: 4 (October 2009), pp. 597-619.

3 See Rorden Wilkinson, 'The WTO in Hong Kong: what it really means for the Doha Development Agenda', New Political Economy, 11: 2, (June 2006), pp. 291-304.

development@manchester is a partnership initiative between the School of Environment and Development, the School of Social Sciences, the Institute for Development Policy and Management, the Brooks World Poverty Institute and the Global Urban Research Centre.