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**Rising Powers, Reforming Challenges:
Negotiating Agriculture in the WTO Doha Round from a Brazilian
Perspective**

Braz Baracuhy*

Brazilian diplomat – Doha Round negotiator in Geneva
Senior Research Associate, Centre for Rising Powers, Cambridge

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**The views expressed in this article are personal. They do not necessarily reflect the official position of the Brazilian Ministry of External Relations (Itamaraty).*

To send comments to the authors, please contact:

Braz Baracuhy

Baracuhy@yahoo.com

For more information on the CRP Working Paper Series, please contact:

Centre for Rising Powers
Department of Politics and International Studies
University of Cambridge
17 Mill Lane
Cambridge, CB2 1RX
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Abstract

This article examines the history of the WTO Doha Round agriculture negotiations from 2001 to 2011 in light of the shifting global balance of economic power over that decade. It shows that the rise of China, Brazil and India, among other developing countries, had an impact on the WTO negotiations and affected the negotiating structure, processes and decision-making. The history of agriculture negotiations and the current impasse reveal how the process of reforming the multilateral trade regime changed from past bipolar economic world of the GATT (the US and EU preponderance) into a multipolar economic world with the rise of emerging powers. In the past, asymmetries of power were a necessary component to the updating of the trade regime; today, reforms need to take place in the shadow of an increasingly more symmetric balance of geo-economic power and interests. As the impasse in the negotiations persists, the article warns that the multilateral system should not be taken for granted. It requires leadership and continuous adaptation to be preserved. History does not seem to support hopes that the current international order—with its values, principles, rules, institutions—will outlive the profound geopolitical transformations of the 21st century by pure inertia.

Introduction

Agriculture is the central negotiating chessboard of the World Trade Organization (WTO) Doha Round (or Doha Development Agenda (DDA) as the Round is officially known). Insufficiently regulated over the GATT years, agriculture was effectively brought into the multilateral trading system only very recently, as a result of the Uruguay Round (1986-1994). Current WTO rules accommodate decades of trade-distorting policies and practices by established economic powers; their reform is the challenge and main objective of the Doha Round.

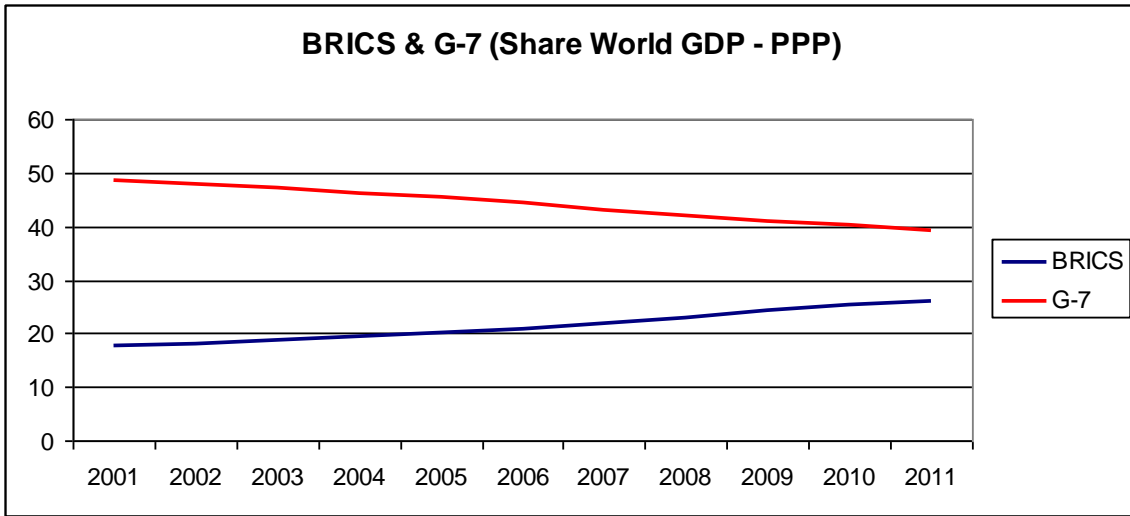
The Doha Round started in 2001 with the goal of reforming and strengthening the current international trade regime. But the Doha Round was caught in the middle of a rare geopolitical phenomenon: the tectonic shifts in the global balance of economic power. The rise of China, Brazil and India, among other developing countries, had an impact on the WTO negotiations and affected the negotiating structure and processes.

The power configuration at the establishment of the General Agreement on Tariffs and Trade (GATT) in 1948 and throughout its rounds of negotiations was clear: The United States (US) and major European countries were the trade powers and rule-setters of the multilateral trade regime. For instance, the conclusion of the Uruguay Round came only after an agreement was struck between the US and Europe on Agriculture, the 1992 Blair House agreement, which was presented to the whole membership as a *fait accompli*. The bargain accommodated their reciprocal interests. As a result, agriculture remained the most distorted part of international trade, with intricate layers of tariff barriers and subsidies, lagging behind other areas in terms of regulation and disciplines favouring liberalization.

By contrast, the Doha Round captures the new geopolitics of multilateralism. The current deadlock in the DDA reveals the dynamics between established and new powers; between the unresolved past of trade rules and new challenges of the trade regime.

Three examples illustrate the shift in the global balance of economic power. The first graphic below shows the relative economic change in terms of shares of world GDP between 2001 and 2011, which coincides with the DDA timeframe so far:

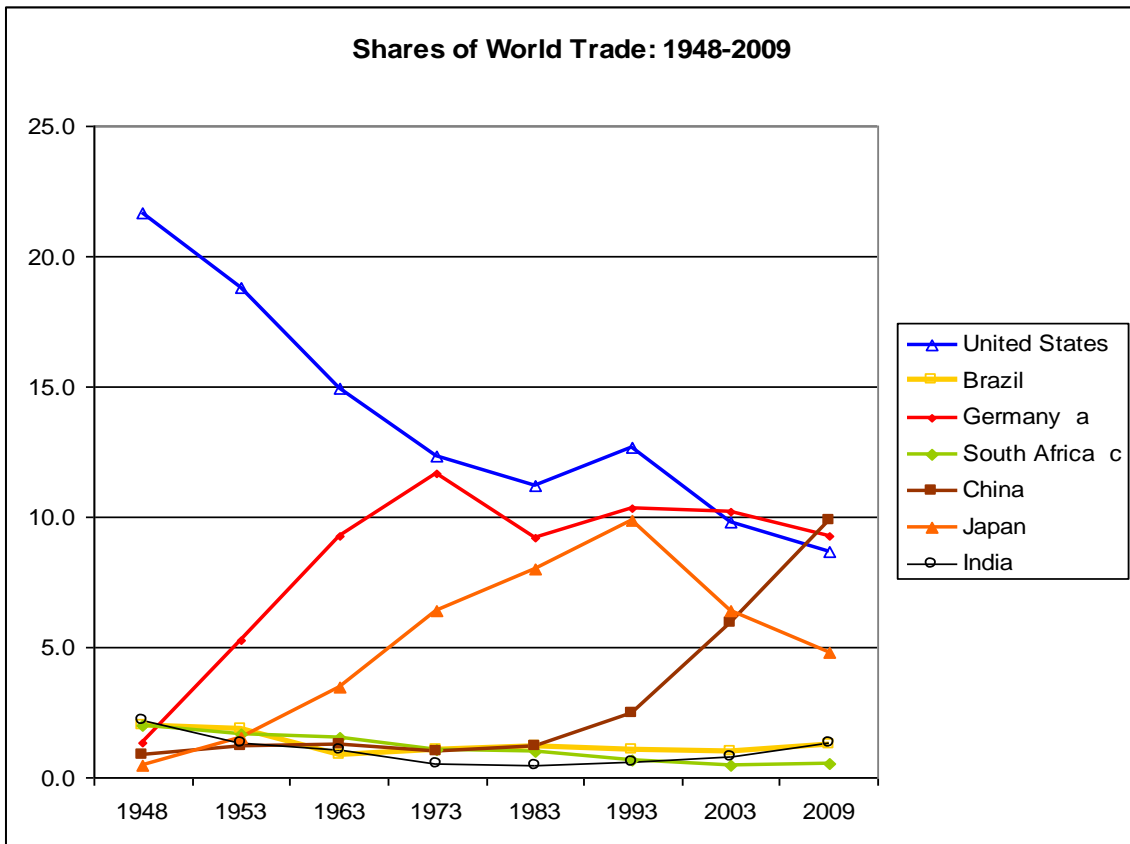
Graph 1¹



Source: International Monetary Fund

The second graphic shows changes in terms of shares of world trade between 1948 and 2009:

Graph 2

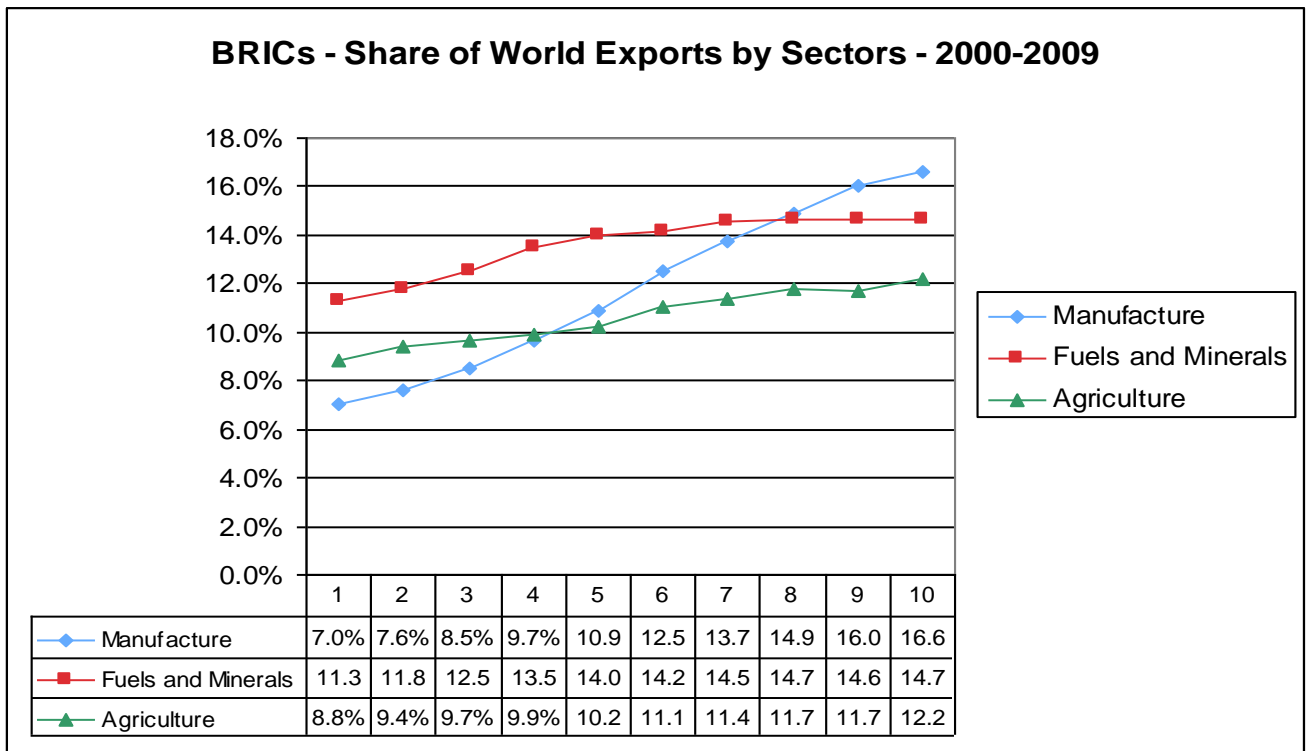


¹ BRICS is the acronym used to describe Brazil, Russia, India and China as a group of rising powers.

Source: World Trade Organization

Over the decade, the BRICS' global trade has significantly increased as shown below by their share of world exports by sector. Brazil consolidated its position as a leading agriculture exporting country:

Graph 3



Source: World Trade Organization

The Doha Round negotiating history takes shape in the shadow of this new global balance of economic power.

The DDA was set in motion in 2002. The initial expectation was to complete the Round by 2005. The Doha Mandate in Agriculture was ambitious: substantial access to markets; substantial reduction of domestic support subsidies; and the elimination of export subsidies.

It is possible to divide the history of negotiations in four phases, each of them with different actors, issues, and configurations at play:

- From 2001 to the 2003 Cancun Ministerial, when ‘business as usual’ confronted new forces;
- From 2004 to the 2005 Hong Kong Ministerial, with the definition of key concepts and landing zones for the agricultural negotiations;

- From 2006 to the July 2008 Mini-Ministerial in Geneva, with the definition of the general level of ambition; and
- From 2008 to the 2011 impasse, with the US attempt to redefine the level of ambition and the current deadlock.

From 2001 to the 2003 Cancun Ministerial

Little progress was made in the early years of the Round in fulfilling the ambitious goals of the Doha Ministerial Declaration (14 November 2001), which pointed to agreement on modalities in Agriculture by 31 March 2003 and to concluding the Round by January 2005.²

The years 2002 and 2003 were mostly devoted to domestic discussions in the major trading partners aimed at defining their respective medium and long-term agricultural policy objectives, which would shape their negotiating mandates—the reform of the European Common Agriculture Policy (CAP) and the US Farm Bill. It was expected that, once concluded, these reforms would constitute the basis for a multilateral agreement on agriculture at the WTO. The US was divided between offensive and protectionist domestic interests. This situation offered the driving seat to Europe, which seized the opportunity to advance its view of the Round: modest new market access, preservation of the core features of its subsidy programmes with a continued shift towards the green box, and the development dimension being met through the preservation of its system of preferences granted mostly to ex-colonies. This was perfectly consistent with the goals of the even more protectionist members such as Japan, Switzerland and Norway.

The seeds of closer cooperation among developing countries, in particular, Brazil, China and India, were being planted. Early in 2002, India was defending an intermediary path in the agricultural negotiations, somewhere between the liberalizing mantra of the Cairns Group and the protectionist approach of the US and the EU. Both the need to protect its poor rural population and the emphasis on the development dimension appear in India's initial positions in the Round. Having just acceded to the WTO in 2001 and having paid dearly for that in terms of commitments in agriculture, China sympathized with the need for ensuring some policy space for its poor rural population. Despite being a member of the Cairns Group, which naturally favoured better market access conditions, Brazil understood the systemic value of the Doha Round and the priority of also reforming the domestic support and export competitions pillars

² WTO 2001.

of agriculture. The high level of ambition sought by the Cairns Group in market access did not adequately differentiate between developed and developing markets which naturally posed problems for India and China, among other net-food importing developing countries. Thus, the potential of balancing offensive and defensive interests in market access to favour higher levels of ambition in subsidy reforms and to enhance the development dimension of the Round were taking shape. Here would lie the strength of the still unborn G-20.

The lack of progress naturally led to uncertainties about the tight deadlines set in Doha and anxieties about an understanding between developed countries—US and EU in particular—at the expense of developing countries’ interests and concerns.

The first substantive negotiating proposals from the key delegations started to emerge in early 2002, while the chairperson of the negotiating group for Agriculture, Stuart Harbinson, circulated its ‘overview paper’ on 18 December 2002. The first draft modalities for Agriculture were circulated in 17 February 2003.³ The stage was set for substantive negotiations in order to comply with the March 2003 deadline for modalities.

In mid 2003, after missing the March deadline, frustration was mounting to the point that the USTR Robert Zoellick threatened members with a new Blair House: ‘If things don’t move, I will decide everything with Pascal [Lamy, then EC Trade Commissioner] and whoever cares to join us’.⁴ And indeed the Montreal Mini-Ministerial in late July witnessed renewed requests for the EU and the US to exercise leadership and to agree amongst themselves on a framework to move negotiations forward. The lack of movement in agricultural negotiations between the US and the EU continued to block advances in Geneva.

Calls for reviving a dying world order were becoming louder, as if a new ‘Blair House’ agreement could replace the lack of negotiating will. The EU and the US tabled a joint framework paper on 13 August 2003—4 weeks ahead of the Cancun Ministerial.⁵ The framework agreement—a set of parameters for the elaboration of modalities—accommodated their interests in Agriculture in terms of market access, domestic support, and export subsidies. Those bilaterally agreed parameters were duly reflected in the draft Ministerial Declaration for Cancun, elaborated by the chairman of the General Council, Perez del Castillo.⁶ Given the experience of past negotiations, many thought that the joint proposal would be the ‘realistic’ landing zone for an agreement.

³ WTO, 2003a.

⁴ Brazilian notes of the meeting.

⁵ WTO, 2003b.

⁶ WTO, 2003d.

Following the presentation of the joint EU-US proposal, conditions were set for the establishment of a new force in the negotiations: the G-20.⁷ The first contribution by this new coalition of developing countries was a framework proposal tabled on 20 August 2003.⁸ It resulted from discreet consultations between Brazil and India, plus a core group of developing countries that, with the onset of the negotiating crisis, quickly expanded to incorporate developing countries from Africa, Asia and Latin America. The G-20 proposal was ambitious in the reduction of subsidies and contained a market access formula differentiating developed and developing countries. The key elements were given: adherence to the Doha mandate in terms of ambition in the three pillars with special treatment provisions for developing countries.

The G-20 proposal created an immediate dilemma for developed countries: to keep the joint agreement and try to push for an outcome in Cancun based on the Perez del Castillo text or to engage with the G-20 and try to find a middle ground. What few people fully appreciated before Cancun was the fact that a third force, the G-20, now joined the US and the EU at the centre of the negotiating chessboard. The balance of necessary and sufficient conditions for an agreement had changed. Very few realized at the time that the ‘natural order’ of the old GATT had expired.

In the Cancun Ministerial, the G-20 not only blocked the agreement, displaying its political weight, but also proposed technically sound alternatives. In order to succeed, negotiations clearly had to go beyond the instructions the EU and the US negotiators had at that time. In other words, the mere overlap of their respective zones of comfort in agriculture would not suffice. All too late, both realized the strength, determination, and operational capacity of the G-20. Contrary to past experiences with developing country coalitions, the G-20 resisted pressures and was able not only to counter the attempts to divide the group, but also to come forward with credible negotiating proposals.

An article by the USTR Robert Zoellick, ‘America will not Wait for the Won’t-do Countries’, published in the Financial Times on 22 September 2003, is a perfect example of how developments in Cancun were misperceived. After praising the virtues of Del Castillo’s text and the potential US reforms, he added:

After the US pressed the EU to develop an agricultural framework that could achieve farm subsidy and tariff cuts far beyond those achieved in the last global trade negotiation, we asked Brazil and other

⁷ Current membership includes Argentina, Bolivia, Brazil, Chile, China, Cuba, Ecuador, Egypt, Guatemala, India, Indonesia, Mexico, Nigeria, Pakistan, Paraguay, Peru, Philippines, South Africa, Tanzania, Thailand, Uruguay, Venezuela, and Zimbabwe.

⁸ WTO, 2003c.

*agricultural powers to work with us. Brazil declined, turning instead to India, which has never supported opening markets, so as to emphasize north-south division not global agricultural reform.*⁹

Minister Celso Amorim put this in perspective in a Wall Street Journal article entitled ‘The Real Cancun’ on 25 September 2003—incidentally written before Zoellick’s piece. Minister Amorim clearly defined the objectives of the G-20 and Brazil:

*We are not interested in North-South confrontation. To use an expression made popular by trade negotiators when combating protectionism under its many guises, our platform is about ‘leveling the playing field’, through the full integration of agriculture into the multilateral rules-based trading system. It is about addressing in a decisive manner the most important unfinished business of the Uruguay Round (should I say, business that was never seriously taken up?). It is about honoring the terms of the Doha Development Agenda in an area unanimously viewed as its centerpiece.*¹⁰

Above all, Minister Amorim’s message was one of change:

*The G-20 and other developing countries will not be reduced to the role of supporting actors in discussions that affect their development prospects. Consensus cannot be imposed through pre-cooked deals that disregard previous commitments and ignore the legitimate aspirations of the majority of the world's population.*¹¹

The G20 is by any standard a significant group within the WTO. It encompasses almost 60% of the world’s total population and 70% of the world’s agricultural population. The group also accounts for more than 21% of the world’s agricultural GDP. By bringing together developing countries such as Brazil, China, India, South Africa, and Argentina, with different interests and from all regions of the developing world and with its genuine desire to negotiate pragmatic solutions, the G-20 brings a first order political and symbolic change.

After the reality check of Cancun, the G-20 became an indispensable partner in the negotiations. It combined, in a single group, offensive and defensive agricultural interests, which strengthened its consensus-building vocation. Reflecting the internal balance of forces, the Group managed to develop common positions in technically solid and politically sound proposals. The comparison between the G-20 positions and the current draft modalities text in Agriculture is proof of the Group’s success.¹² In the three pillars of the negotiations, the positions of the G-20 are reflected both in terms of ambition—or very close to it—and architecture.

⁹ Financial Times 2003.

¹⁰ Wall Street Journal 2003.

¹¹ Ibid.

¹² WTO 2008d.

What critics initially saw as a weakness of the G-20 (the conflicting interests of exporters and importers in a single coalition) was actually its strength: the group was able to build middle ground proposals that reflected almost perfectly the overall possible compromise among WTO Members' positions.

A G-20 ministerial meeting held in Brasilia, in December 2003, helped to put negotiations back on track. The participation of the EU Trade Commissioner Pascal Lamy created the necessary platform of dialogue that was absent before and during Cancun.

From 2004 to the 2005 Hong Kong Ministerial

After Cancun, negotiations resumed with the purpose of establishing a 'framework' for agriculture—a midway frame of reference between the general mandate and the specific modalities. This was a clearly conceptual phase of the negotiations. The structure of the market access formula was central in the discussions during the first half of 2004 (the discussions on a 'blended formula' finally shifting to a 'tiered formula' with special and differential treatment). Tariff-Rate Quotas (TRQs) and some initial ideas were explored on market access flexibilities (sensitive products, special products, safeguards); the domestic support structure (overall cuts, product-specific disciplines, green box); and the elimination of export subsidies.

The G-20's sound technical contributions provided the basis for discussions. The negotiating process took different formats: the 'Non-Group' of 5, also known as FIPs—'Five Interested Parties' (Australia, Brazil, EU, India, US), was a key forum for discussions. The presence of representatives of the G-20, the Cairns Group, and the G-33 gave it legitimacy and also a means to keep the specific groupings and the membership engaged. On the political side, the G-20 often outreached for other developing-country groups.

The Framework Agreement of 1 August 2004 (known as the 'July Framework') represented an important substantive convergence of concepts and ambition.¹³ The G-20 positions and key issues of concern for developing countries were reflected in the draft framework for modalities in agriculture (Annex A): a cap for the overall trade-distorting domestic support (OTDS), Cotton, the tiered formula, special products (SPs), special safeguard mechanism (SSM), among others.

The July Framework also represented the end of the beginning for the agricultural negotiations. It vindicated the efforts of Brazil and the G-20 in Cancun. The FIPs and its

¹³ WTO 2004.

outreach combined with the multilateral discussions created a new paradigm of decision, beyond the US-EU top-down format. Just one year after the tabling of the EU-US joint proposal, conversations were now based on a text negotiated directly between developed and developing members. The July Framework marked the end of the duopoly in WTO decision-making.

The new target deadline for establishing modalities became the Ministerial Meeting scheduled for December 2005 in Hong Kong. Once the negotiating structure was defined, the key issues moved to the level of ambition. Most of the substantive work was concentrated on the development of a ‘first approximation’ paper which could establish some benchmarks in terms of ambition and trade-offs for Hong Kong. However, very marginal progress happened between July 2004 and the Hong Kong Ministerial. The G-20 tabled proposals in the three pillars of negotiations.

The basic problem remained: the EU tried to minimize concessions in market access, while the US moved more and more toward a defensive position in cuts and disciplines for domestic subsidies. But on the road to Hong Kong, a series of movements determined what would be the basic dynamics of the Ministerial. The US presented a more ambitious proposal for the reduction of domestic support in the beginning of October; a few days later, the G-20 also tabled its own proposals on domestic support – correcting some bias of the US proposal – and on market access. That led to the isolation of the EU in market access.

By the end of October, the EU felt compelled to circulate its ‘proposal to move forward the DDA negotiations’. But technical analysis clearly showed the limits of the concessions in market access, despite Trade Commissioner Peter Mandelson’s best efforts in the media to prove otherwise.

The linkages between Agriculture and industrial goods (NAMA) became more and more evident. Pushing for market access in NAMA, particularly in developing country markets, was the way the EU found to counter the offensive it was under in agriculture. According to the EU, the demands from the G-20 and the US in agriculture had to find parallel efforts by developing countries in opening their markets for industrial goods and services. But the argument did not carry the day. The G-20 position—and indeed the position of the developing world as a whole—that agriculture should determine the level of ambition was politically well-established and on solid ground. Agricultural reform in the developed world was the unfinished business of the Uruguay Round and of all previous rounds.

The Hong Kong Ministerial of December 2005 brought modest but far from insignificant outcomes. It was not possible to solve the market access conundrum in agriculture. The unity among developing countries was strengthened in Hong Kong and the historical

declaration of the ‘G-110’ (G-20, G-33, ACP, LDCs, NAMA-11, African Group, and SVEs), recalled that agriculture was central to development. But important issues for the G-20 and other developing country groups were present in the Hong Kong Ministerial Declaration: the reiteration of key concepts in domestic support and market access; elimination of export subsidies by 2013; the parallelism between Agriculture market access and NAMA, with the former determining the level of ambition of the latter, established in Paragraph 24 of the Ministerial declaration; specific provisions for cotton, a historic demand of the Cotton-4 (Benin, Burkina Faso, Chad, and Mali).¹⁴

As it became clear it would be difficult to establish modalities in Hong Kong, new deadlines were set: to conclude modalities by 30 April 2006 with a view to finishing the Round by the end of 2006.

From 2006 to the July 2008 Mini-Ministerial in Geneva

After Hong Kong, negotiations resumed in Geneva until they were officially suspended by the Director-General Pascal Lamy in July 2006. The substantive conundrum remained. The European Commission felt strengthened by the support of its member-states for not having made concessions during the 2005 Ministerial and tried again to change the focus to NAMA—thus shifting the basic idea that Agriculture would determine the level of ambition.

In the plurilateral formats, negotiations moved from the FIPs to the G-6 (Australia, Brazil, EC, India, Japan and US) and the G-4 (Brazil, EC, India and US) starting in Davos in January 2006. The absence of China in these critical geometries would only be remedied in 2008.

The substantive shape of negotiations gradually evolved to form a negotiating triangle which had to be solved in order to unlock discussions: (i) cuts in subsidies for the US (OTDS, product-specific disciplines); (ii) agricultural market access in Europe (cuts, quota expansion, and flexibilities); and (iii) industrials market access in developing countries (NAMA coefficient/flexibilities). The discussions on flexibilities for developed countries, in particular the Sensitive Products, began to gain importance as the overall level of cuts moved towards better defined landing zones.

The deadlines of the first half of 2006 were all missed, and DG Lamy suspended ministerial talks on 24 July 2006.

¹⁴ WTO 2005.

After the impulse given by a G-20 Ministerial Meeting together with the coordinators of developing-country groups (African Group, ACP, Caricom, Cotton-4, LDCs, SVEs) in Rio de Janeiro (9-10 September 2006), an intensive multilateral process resumed in Geneva from late 2006 until the July 2008 Mini-Ministerial.

Agricultural negotiations intensified in Geneva under the chairmanship of Crawford Falconer. Falconer's 'challenge papers' from April to May 2007 pushed forward and tested the limits of negotiators. The G-20 positions continued to constitute the centre of gravity in the headline issues.

In parallel, the G-4 (US, EU, Brazil and India) continued its effort to address the core issues of the unresolved negotiating triangle. The G-4 Ministerial in Potsdam, Germany, in July 2007 was yet another shot at a Blair-House-like attempt by developed members, seeking to reverse the logic that agriculture determines the level of ambition and joining forces in NAMA. The failure of Potsdam was, in retrospect, a positive outcome. It empowered the multilateral process in Geneva and provided additional time to explore solutions on the complex issues of Sensitive Products—finally settled in the first half of 2008 after intensive months of plurilateral negotiations involving Australia, Brazil, Canada, EU and the US together with outreach members.

In the aftermath of the Potsdam failure, the multilateral process gained impetus in Geneva and legitimized the efforts of Falconer in seeking convergences. New draft modalities were circulated in mid-July and an initial draft was released on 1 August 2007).¹⁵ Accommodating the sensitivities of developed and developing countries in exchange for the sustainability of the package was the route chosen to advance negotiations. This was the case in the ranges for the OTDS cuts and for sensitive products. The result, of course, was the downgrading of ambition—but carefully done so as not to compromise the mandate. The exact opposite was sought in the new NAMA draft text. Thus, the two texts together reinforced the imbalance and the reversal of the logic of agriculture as the engine of the Round.

Nonetheless, based on the new text, on a number of contributions from the G-20, and on an intensive schedule of negotiations under different configurations and formats, the agriculture negotiating group produced several working papers and 3 revisions of the modalities text.¹⁶

The last version of the text was the basis for the July 2008 Mini-Ministerial. During 9 days of negotiations in open-ended format and 'green rooms', DG Pascal Lamy attempted to

¹⁵ WTO 2007.

¹⁶ WTO 2008a; WTO 2008b; WTO 2008c.

extract a necessary—but not sufficient—agreement from the Ministers of the G-7 (Australia, Brazil, China, EU, India, Japan and US). Facing the near collapse of negotiations, DG Lamy tried his hand at a package that captured balances and trade-offs in the central issues of the Agriculture and NAMA negotiations. But an insurmountable impasse involving the SSM precluded further progress and, ultimately, the conclusion of modalities at that time.

2008 to today: Development or Graduation?

A few weeks after this failure to conclude modalities, the onset of the global financial crisis, in September 2008, created a new and completely different economic scenario. The leaders of the global G-20 met in Washington in November 2008 and protectionism loomed on the horizon. The US became even more averse to trade liberalization—except of course in areas in which it still felt competitive.

A last push was attempted from September to December 2008. The new negotiating triangle involved: (i) cuts in subsidies for US cotton; (ii) market access in developing countries in agriculture (SP/SSM); and (iii) industrial goods market access in developing countries (sectorals in NAMA).

Some progress was made on the understanding of the SSM amongst Australia, Brazil, China, EU, India and the US. Falconer also addressed other areas of negotiations and, most importantly, reflected the July 2008 DG Lamy package of trade-offs to produce his (word missing).¹⁷ Plans for a new ministerial in that month—the last one for the Bush Administration—failed.

Under new political and economic circumstances, the US negotiators resorted to demands for reopening selectively the July 2008 package and to push for bilaterals with the so-called ‘advanced developing countries’ (i.e. China, India and Brazil) seeking more market access in areas of its specific export interest. This approach effectively negated years of trade-offs in negotiations and upset the embedded equilibrium reflected in the December 2008 texts.

In the last WTO Ministerial Meeting in Geneva (December 2009), the vast majority of developed and developing countries sent an unequivocal message to preserve the package, still negotiations could not be concluded after more than 2 years since July 2008 and 10 years of negotiations.

¹⁷ WTO 2008d.

Two general principles have guided Brazil and the WTO G-20's positions in the substantive discussions in Agriculture:

- o The December 2008 draft modalities are the basis for negotiations and represent the end-game in terms of the landing zones of ambition. Any marginal adjustments in the level of ambition of those texts may only be assessed in the context of the overall balance of trade-offs, bearing in mind that agriculture is the engine of the Round; and
- o The draft modalities embody a delicate balance achieved after 10 years of negotiations. This equilibrium cannot be ignored or upset, or we will need readjustments of the entire package with horizontal repercussions. Such readjustments cannot entail additional unilateral concessions from developing countries.

Over those many years of negotiations and trade-offs, it was certainly possible to craft a Doha package that is both balanced and ambitious across all areas of the negotiations. Nonetheless, the Doha Round remains deadlocked since July 2008, as the US continues to express its dissatisfaction with the package and to demand 'more ambition'—that is, more market access in sectors where it feels competitive in global trade, while disregarding flexibilities it secured as a result of past trade-offs.

Despite continuous efforts in Geneva and negotiations in different formats (bilateral, plurilateral and multilateral), progress remained elusive. It became not a matter of process but rather of substance. Over the months, bilateral meetings among the USA, China, Brazil and India—the EU was out of the main process—revealed unbridgeable gaps and, more fundamentally, two different conceptions of the Doha Round: development and graduation. The Round started with a development mandate; the rules of the game started to change in 2008. *The Economist* got it right:

*America sees the Doha talks as its final opportunity to get fast-growing emerging economies like China and India to slash their duties on [manufactured goods], which have been reduced in previous rounds but remain much higher than those in the rich world. It wants something approaching parity, at least in some sectors, because it reckons its own low tariffs leave it with few concessions to offer in future talks. But emerging markets insist that the Doha Round was never intended to result in such harmonisation. These positions are fundamentally at odds.*¹⁸

¹⁸ Economist 2011.

But those substantive new demands are made in a different context of power relations. The tectonic shifts in the global balance of economic power have impacted the process of reforming the trade regime: from the bipolar economic world of the past (the US and EU preponderance) into a multipolar economic world with the rise of emerging powers. In the past, asymmetries of power were a necessary component to the updating of the trade regime; today, reforms need to take place in the shadow of an increasingly more symmetric balance of geoeconomic power and interests.

Conclusion

In his important report to the Trade Negotiations Committee (TNC) on 29 April 2011 assessing the state of play in the Doha Round, the Director-General Pascal Lamy reminded WTO members of the dangers of the impasse:

(F)ailure of the WTO to deliver on its legislative function, failure of the WTO to update the rules governing international trade — last updated in 1995 — by adapting them to the evolving needs of its Members, failure of the WTO to harness our growing economic interdependence in a cooperative manner risks a slow, silent weakening of the multilateral trading system in the longer term. And with this, a loss of interest by political leaders in many quarters, an erosion of the rules-based multilateral trading system, a creeping return to the law of the jungle.¹⁹

Lamy is right to point out that the multilateral system should not be taken for granted. It requires leadership and continuous adaptation to be preserved. History does not seem to support hopes that the current international order—with its values, principles, rules, institutions—will outlive the profound geopolitical transformations of the 21st century by pure inertia.

The Doha Round is already the most ambitious in the history of the GATT/WTO system. The draft texts tabled in 2008 in Agriculture and NAMA brought the Round very close to an agreement. The texts incorporate a decade of bargaining history. From the perspective of a developing country like Brazil, attempts to reopen the package to extract further concessions from it would not be feasible without a major rebalancing of the trade-offs and the overall level of ambition achieved so far. This would send the negotiations back several years, if not condemn the Round to an insurmountable stalemate and final failure.

In their Sanya Ministerial Meeting on 13 April 2011, the BRICS recognized that the Round is at a critical juncture. Yet they:

¹⁹ WTO 2011a.

*stressed, more broadly, the importance of a strong, open, rule-based multilateral trading system, embodied in the World Trade Organization, for providing a stable, equitable and non discriminatory environment for international trade. They committed themselves to helping preserve and strengthen the multilateral trading system, as well as to making it increasingly supportive of economic and social development.*²⁰

The credibility of the WTO to deal with the new challenges of this century relies considerably on the conclusion of the Doha Round in accordance with its original mandate. Efforts to conclude the Doha Round must continue. But at the same time, as Brazil's statement in the TNC emphasized, equal efforts should be deployed in preserving the multilateral trading regime embodied in the WTO: 'We are under a duty to ensure that our future work is also directed to the strengthening and revitalization of the WTO, which is bigger than the Round and transcends it'.²¹

Geneva, April 2011.

²⁰ BRICs Ministerial Press Release on the Doha Round (Sanya, 13 April 2011)

²¹ WTO 2011b.

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