
COTTON UPDATE – 14 November 2011

Celebrating the 10th anniversary of Doha with great pomp ... at the undertaker's?

Introduction

On 14 November 2001, the WTO Member States, meeting in Doha (Qatar), jointly signed the now famous Doha Declaration, priding themselves on having placed development at the heart of this new Round of negotiations, as reflected for example by this passage from Article 2 of the Declaration: "International trade can play a major role in the promotion of economic development and the alleviation of poverty. We recognize the need for all our peoples to benefit from the increased opportunities and welfare gains that the multilateral trading system generates. The majority of WTO members are developing countries. We seek to place their needs and interests at the heart of the Work Programme adopted in this Declaration." The opening of this new Round raised a great many hopes in the developing nations and especially the Least Developed Countries (LDCs), with WTO Members recognizing "the particular vulnerability [...] and the special structural difficulties they face in the global economy." As they put it, the Members were "committed to addressing the marginalization of least-developed countries in international trade and improving their effective participation in the multilateral trading system" (Article 3).

A lot of dishes on the table, but not much that's edible

Shortly before the December Ministerial Conference, the actors confirm that a host of various proposals are on the table, on different levels: Doha Round issues and non-Doha Round issues, mandate and negotiating process, LDC-related aspects (DFQF, cotton and exemptions for services), improving the accession process for developing countries in general and LDCs in particular, trade facilitation, Aid for Trade, emerging issues (exchange rates, food security, export and import restrictions), etc. However, given the lack of agreement on each of these questions, there is no danger of indigestion when it comes time

to crank out a final declaration. The only consensus at present is that there is no consensus on anything...

Much ado about nothing?

Clearly, we can feed on regrets as to the way things have turned out over ten years. Indeed, the past decade has been marked by countless fruitless meetings, missed deadlines and shelved plans. Many observers also note that negotiations have been “dehumanized” to a certain extent. In the past, the men and women in charge of negotiating were more often able to discuss in a climate of mutual trust and find compromises, as each understood that the official statements delivered by the others were part of the game and didn’t close the door. Today, you get the feeling that the proposals put on the table are no longer examined, analysed, fiddled with and rephrased... even if they no longer resemble their original form. Rather, most of them are dismissed out of hand. It is possible that the development of new technologies, the systematic use of the Internet and the virtually immediate circulation of information, to the detriment of objectivity and analysis, have curtailed possibilities for expression and trust between negotiators.

If the commitments undertaken at the December Ministerial are limited in the end to vague indications for subsequently pursuing negotiations and determining a few major policy lines for the future, it will probably be necessary to once again seriously consider putting an end to this Round and relaunching a new Round in a few years. People already seem to take it for granted that there will not be any major decisions in 2012, primarily owing to the presidential elections in the United States and India. But does this mean we should chuck everything out? As the DG has said, the Doha Round issues are real and will not go away, even if we put an end to the negotiations. And there is no reason to believe that it will be easier to wrap the negotiations up tomorrow than today.

The developing countries in the multilateral trading system

Those who most need the system, namely developing countries, particularly the poorest ones, would bear the brunt of failure. The poorest developing countries have no alternative to multilateralism. The major developed and emerging powers are signing more and more bilateral and regional trade agreements, but the small powers have been overlooked by these parallel negotiations. Yet since the creation of the WTO followed by the launching of the Doha Round, the poor developing countries have considerably improved their intrinsic

capacity to use the system and the tools it provides to ensure their joint and individual representation with a view to defending their interests, including through the dispute settlement process. In particular, the C4 has shown that a group of small developing countries could become an actor in the negotiations and take its place within the system.

With regard more particularly to the LDCs as a whole, it is however open to question whether the principle of the Round for Free has not done them more harm than good in the end. Even if it is legitimate in theory for this principle to be applied to the world's poorest countries, we should bear in mind that the WTO is a fundamentally mercantilist organization. Indeed, negotiations imply a certain amount of give-and-take if a country wants to be recognized as a fully-fledged player in the multilateral system. Moreover, in this consensus-based system where each member theoretically has an equal say, in practice some members are "more equal than others". As a result, countries with nothing to negotiate find themselves sidelined in the talks. Here, the question is not whether the LDCs should make concessions that would endanger their fragile economies. But they do have means at their disposal that would enable them to move things forward, for example by relying on the flexibilities that come with their status.

Conclusion

Today, given the short time remaining and the rather gloomy atmosphere, it is hard to imagine that the Ministerial will be less downbeat than the celebration of the Doha anniversary... The Cannes G20 Declaration on Trade reflected Member States' doubts more than it did their hopes, at least in the short term: "We stand by the Doha Development Agenda (DDA) mandate. However, it is clear that we will not complete the DDA if we continue to conduct negotiations as we have in the past. We recognize the progress achieved so far. To contribute to confidence, we need to pursue in 2012 fresh, credible approaches to furthering negotiations, including issues of concern for Least Developed Countries and, where they can bear fruit, the remaining elements of the DDA mandate. We direct our Ministers to work on such approaches at the upcoming Ministerial meeting in Geneva and also to engage in discussions on challenges and opportunities for the multilateral trading system in a globalised economy and to report back by the Mexico Summit." The problems are real and will not go away. Rather, we need to completely rethink the way we negotiate. We have to save the system if we cannot save Doha, by showing that we are capable of coping with the new balance of power at the WTO. This cannot be done by small changes at the margin or by increasing or decreasing the number of topics for

discussion. What we need is a new approach – one that will enable us to rethink the functioning of the multilateral trading system.

IDEAS Centre is dedicated to facilitating the integration of developing countries into the world economy and has over the last eight years assembled substantial experience on this issue. Its mission is to support policy-makers around the world working to develop approaches to ensure that globalization can be harnessed for development and to fight poverty both within their countries and in a more inclusive and fairer world trading system.

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