

City University of New York (CUNY)

**CUNY Academic Works**

---

School of Arts & Sciences Theses

Hunter College

---

Summer 8-24-2015

## **The Doha Round and Globalization: A Failure of World Economic Development?**

William E. Keating  
*Hunter College*

[How does access to this work benefit you? Let us know!](#)

More information about this work at: [https://academicworks.cuny.edu/hc\\_sas\\_etds/7](https://academicworks.cuny.edu/hc_sas_etds/7)

Discover additional works at: <https://academicworks.cuny.edu>

---

This work is made publicly available by the City University of New York (CUNY).  
Contact: [AcademicWorks@cuny.edu](mailto:AcademicWorks@cuny.edu)

The Doha Round and Globalization: A Failure of World Economic Development?

by

William Keating

Submitted in partial fulfillment  
of the requirements for the degree of  
Master of Arts in Geography, Hunter College  
The City University of New York

2015

Thesis Sponsor:

August 7, 2015

---

Date

Mohamed B. Ibrahim

---

Signature

Professor Mohamed Ibrahim

August 10, 2015

---

Date

George Musa

---

Signature of Second Reader

Dr. George Musa

## **Abstract:**

The objective of this thesis is to analyze the WTO's Doha Round, its numerous objectives, assess the major issues that led to its stagnation, as well as examine the economic prospects for developing nations and the potential future of international trade and development. The globalization of free trade capitalism has become an incredibly permeating and constantly evolving series of socio-economic processes that fundamentally reshaped today's global landscape. Arguably one of the greatest facilitators of economic globalization is the World Trade Organization, which has become an instrumental authority on the world economy. Since its creation in 1995, the WTO has emerged as one of the foremost advocates of free-trade and economic liberalization. Currently consisting of 160 member countries, the WTO's negotiations and subsequent rulings have dramatically altered the manner in which countries conduct trade and, according to a number of its supporters, has come to embody the very ideals of globalization through international cooperation and economic cohesion. However, within the last several years, the WTO has faced tremendous criticism, particularly concerning the ineptitude and failure of its latest negotiation round, the Doha Development Agenda. Originally commencing in 2001 in Doha, Qatar, the Round sought to address numerous issues regarding global trade, including concerns over agricultural and industrial tariffs, the removal of trade subsidies, the economic welfare of lesser developed countries, and continued decrease in protectionist economic trade policies. Now more than fourteen years later, the Doha Round remains unresolved, with numerous political factions being formed between developed and developing countries over the intended goals and direction of the agenda, and painting a grim view of the WTO as an institutional governing body.

## Table of Contents

List of Figures and Tables	iii
Glossary	iv
Acknowledgement	v
Chapter 1	
Introduction	
Globalization and the WTO	1
Methodology and Organization	4
Chapter 2	
Background and Theoretical Framework	8
The GATT	9
The Uruguay Round	12
The Grand Bargain and the Birth of the WTO	16
Aftermath of Uruguay and the debacle of the Seattle Conference	20
GATT and the Uruguay Round in Retrospect	24
Chapter 3	
A New Trade Round: Doha	
The Doha Round	26
The Cancun Debacle	29
Hong Kong	32
Geneva, Bali and Beyond	35
Chapter 4	
An Uncertain Future?	
What went wrong with Doha?	40
Developing Nations and Global Trade	45
Chapter 5	
Summary and Conclusion	
Future of Trade and Development	49
References	52

## List of Figures and Tables

Figure 1: World Exports of Goods and Services (% of GDP)	2
Figure 2: The World Trade Organization	3
Figure 3: Growth of Merchandise Exports, 1970- 2001 (Excluding Oil Exports)	22
Figure 4: Developed and Developing Country Merchandise Exports Comparisons	43
Figure 5: Trade Shares of LDCs: Exports of Goods and Services 1980-2010	48
Table 1: Comparison of World Merchandise Exports by Region, 1990 and 2000	19
Table 2: Doha Ministerial Objectives as of 2001	28

## **Glossary:**

ITO – International Trade Organization

WTO – World Trade Organization

MFN – Most Favored Nation

GDP – Gross Domestic Product

FDI – Foreign Direct Investment

GATT – General Agreement on Tariffs and Trade

EU - European Union

US – United States

CAP – Common Agricultural Policy

TRIMS - Trade-Related Investment Measures

TRIPS - Trade-related Aspects of Intellectual Property Rights

NGOs – Non-government Organizations

ACP – African Caribbean Pacific

NAMA – Non Agricultural Market Access

SSM – Special Safeguard Mechanisms

RTOs – Regional Trade Agreements

CAIRINS – Cairns Group of Fair Trading Nations

S&DT – Special and Differential Treatment

SVEs – Small Vulnerable Economies

LDCs – Least Developed Countries

## **Acknowledgement**

I would like to express my deepest appreciation and thanks to my main adviser Professor Mohamed Ibrahim for his guidance, diligence, and remarkable insight into this subject matter. I would also like to thank my secondary adviser Dr. George Musa whose technical advice, expertise and continued support were critical to the completion of this thesis. I would also like to thank the staff and fellow graduate students of the Hunter College Geography Department for their support. And finally, I would like to thank my undergraduate professor Dr. James Wiley of Hofstra University who first introduced me to the field of geography and this fascinating topic.

## Chapter 1

### Introduction

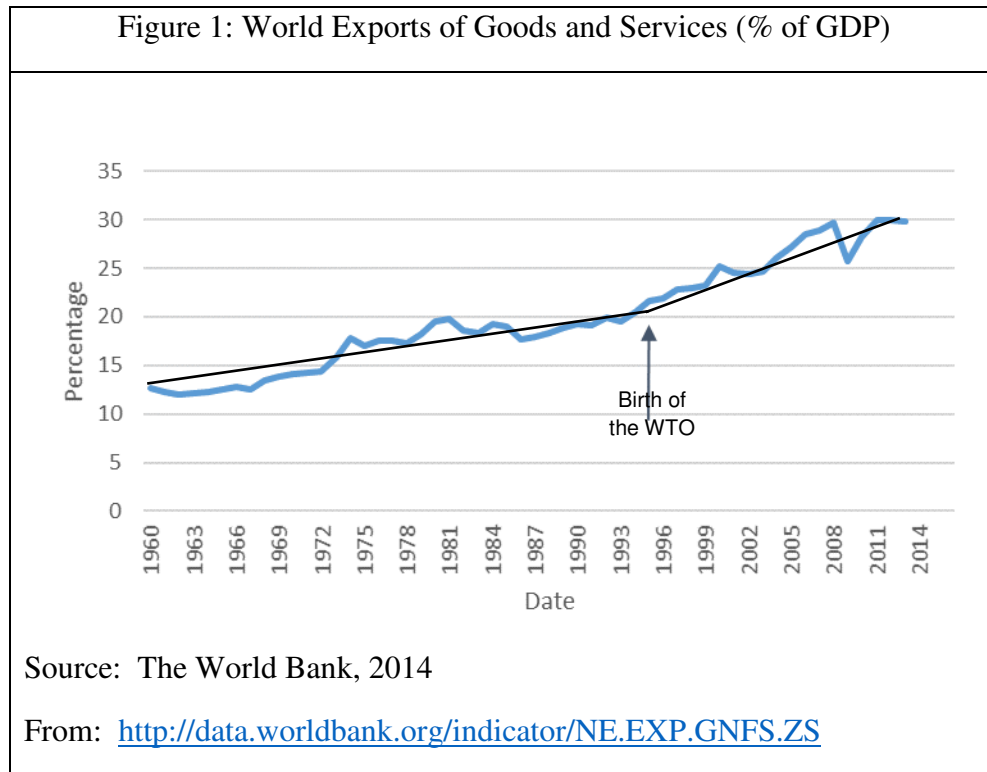
#### Globalization and the WTO

Globalization is a unique and complex process that has fundamentally reshaped the manner in which modern nations interact today, and has largely been driven through the expansion of international trade, foreign direct investment and technological innovation (Deardorff and Stern 2002). Although not entirely a new phenomenon, the globalization of capitalism and the flow of trade and production have rapidly transformed the global landscape over the last half century, and has been heavily fostered by growing influences of multinational corporations as well as the establishment of international systems such as the World Bank, the International Monetary Fund, and more recently the World Trade Organization (WTO) (Deardorff and Stern 2002). On a more critical level, globalization can be defined as an expansion of capitalist and neoliberalist ideals onto a global scale and a fundamental shift away from autonomous nation-states and local governance towards a competitive international market structure, a system that emphasizes openness and leading to the removal of restrictive economic policies and subsequently, the reduction of national economic control (Kellner 2002).

Today, international trade is larger than it has ever been, and has become a multi-trillion dollar industry, with an estimated total export value of more than \$17 trillion as of 2013, accounting for nearly 30 percent of the world's total Gross Domestic Product (GDP) (International Trade Statistics 2014; World Development Indicators 2014). This massive transformation towards global integration and economic uniformity has not been without drawbacks or contradictions, as this globalized market system has established an environment of

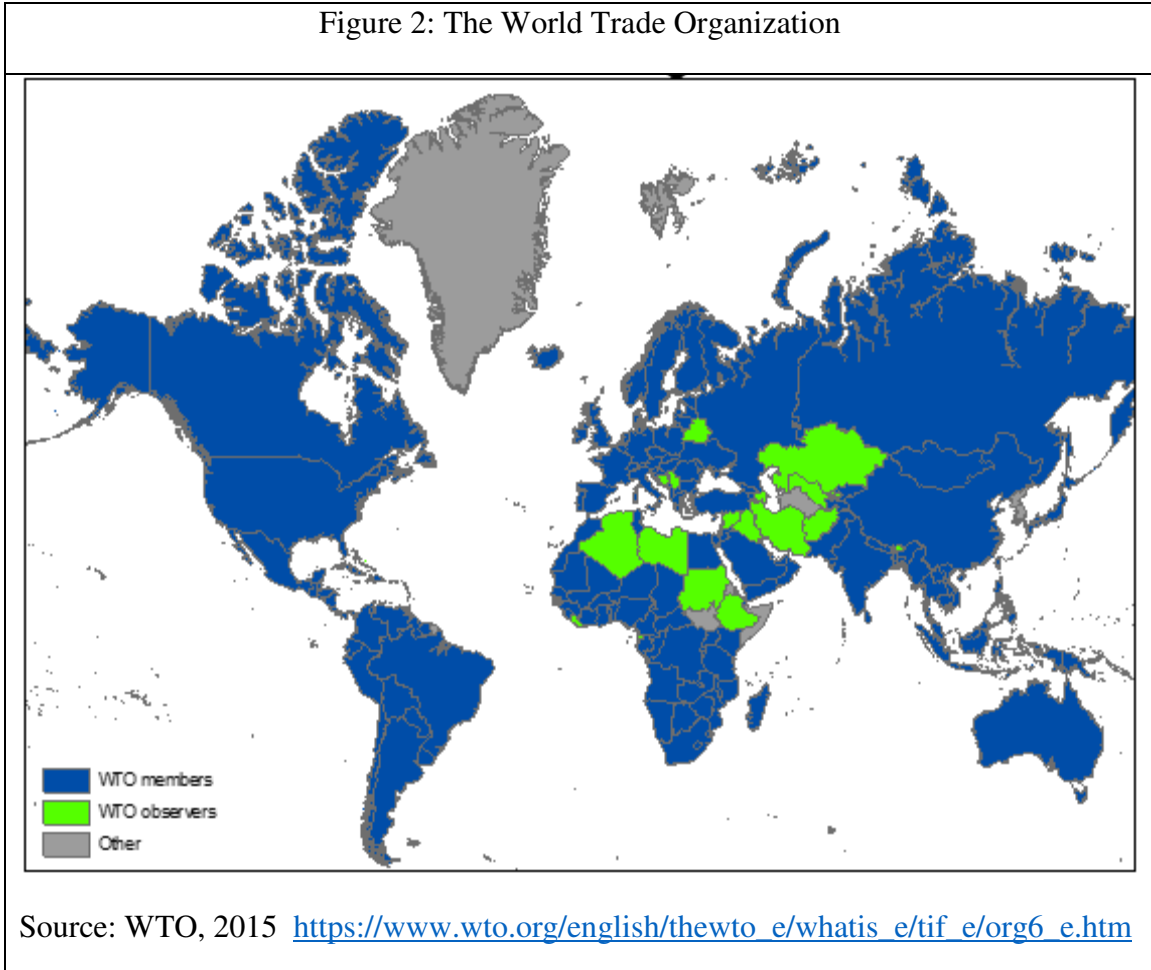


increased competition between participating countries and in many instances has led to the marginalization of smaller economies, particularly ones belonging to countries in the developing world. Often these countries are pushed to the periphery in favor of larger economic powers of the developed world and multinational corporations ((Dunning and Hamdani 1997).



The role of the WTO in the spread of free-trade liberalization is both enormous and complex. As the only international organization specifically concerned with the regulation of international trade, the WTO exerts enormous political influence, facilitating as a forum for trade negotiations between member countries, as well as ensuring that countries abide by the rules of trade that are agreed upon through its various negotiation rounds (Solanki 2012). Since its formal establishment in 1995, the organization’s principle mandates have been to ensure trade without discrimination, to ensure freer trade via negotiation rounds and the gradual removals of trade barriers, to allow for greater transparency and predictability of trade, to promote fair competition

as well as encourage economic development and reform (*What is the WTO?* 2015; Solanki 2012)



Currently, the WTO membership governs 97 percent of international trade, and consists of 161 member countries, representing more than 80 percent of the world's governments (WTO, 2015). Yet despite its enormous clout and its stated goals to promote both freer and fairer trade, the WTO has also been the subject of intense scrutiny and suspicion, and has been heavily criticized by both developed and developing nations alike. Much of this criticism stems from a growing backlash against globalization itself and the proliferation of free trade under the WTO banner, where before it was seen largely in a positive light as beneficial for national economic

growth, it is now being seen by many opponents to be counterproductive or even harmful to economies and businesses who lack the means of realistically competing on the global scale, and has been blamed for the widening political and economic disparities between developed and developing nations (Griller 2008; Solanki 2012).

To address these issues, the WTO launched a new round of negotiations, the 4<sup>th</sup> Ministerial Conference in Doha, Qatar on November 2001, dubbed the Doha Development Agenda. This new round of negotiations was held to specifically address the growing concerns of free-trade capitalism and attend to the many grievances of its developing member countries over their adoption of free trade. Originally expected to be concluded by 2005, the round is now in its fourteenth year, and in that time has not only further polarized the WTO's membership, but it has also cast doubts on the organization's legitimacy as an effective mediator (Griller 2008; Scott and Wilkinson 2011). So what went wrong? Why has the Doha Round fail to reach a satisfactory conclusion and what are the major obstacles that have divided the WTO's membership? To properly answer these questions requires a throughout understanding of both Doha and the WTO as a whole, as well as an understanding of the important political structures and historical factors behind international trade and globalization.

## **Methodology and Organization**

This thesis seeks to demonstrate the important technical and social dimensions concerning the relationship between globalization, trade and development. Therefore a number of primary and secondary sources have been consulted, including financial data from various organizations, scholarly works and official documentation from the WTO itself. The vast scope

of international trade and its evolution over the last six decades are also fundamental aspects to the aims of this thesis. To this end, historical analysis was used to examine the important interactions of global trade and the crucial participating countries, with important trade discussions and WTO ministerial conferences being highlighted for their significance in shaping or in many cases hampering global trade and development. Tables and graphs were composed and taken from various organizations which include the IMF, World Bank and the WTO in order to illustrate important geo-economic shifts in the world economy. Case studies were also used to denote the most vulnerable participants of global trade and highlight the potential dangers of continued trade marginalization. In light of the broad scope of international trade and the complexities of economic globalization, this thesis will focus primarily on the WTO and the Doha Round.

The organization of this thesis is arranged in the following chapters. Chapter 1 provides a brief introduction of globalization as well as the extent of the WTO. It also outlines the structure of the thesis and the important topics that will be addressed. Chapter 2 examines the history of both the WTO and its negotiation rounds, concentrating on the key economic and political drivers of free trade and the major issues of contention that have arisen in the fourteen years of negotiations. It provides important historical context to economic globalization and the experiences of participating countries that are critical to understand Doha and the issues of trade that have polarized developed and developing countries and the imbalances that have resulted. Chapter 3 is devoted specifically to the Doha Round and to the plights of developing nations, discussing the institutional and developmental roadblocks they have and will continue to face in their economic futures. It articulates the failure of the WTO to reach a proper conclusion and also highlights the main issues of contention which have continuously led to breakdowns in

negotiations and the fragmentation of the international trade community. Lastly, Chapter 4 analyzes the institutional and philosophical divisions that surround Doha, as well as examines the experiences of poorer developing countries. It offers some speculation on the future of global trade as well as details how Doha's continued delay hinders the health of marginalized nations who are in need of important concessions. The chapter also discusses the potential geopolitical and economic ramifications if Doha ends in failure or continues to stagnate indefinitely. It also explores whether or not Doha has inadvertently or irrevocably fragmented the political and economic landscapes of participating member countries, and critiques current views and future viewpoints on the Doha Round and the WTO itself.

This thesis does not presume to be all-encompassing and does not seek to find a miraculous solution to the multitude of problems that currently plague international trade and the countries who participate in it. Instead, the overall objective of this thesis is to evaluate the Doha Round, as well as to critique the important mechanisms of global multilateral trade and their effects on poorer developing countries. It provides a geographical and geopolitical approach to the issues of trade and development. It also aims to highlight transparent imbalances that have resulted from the prevailing multilateral trade system, imbalances that continues to severely limit the overall developmental and economic welfare of many countries in the developing world. Although focusing heavily on the WTO and its mediation of globalized trade, this thesis does not seek to accuse the organization or any particular group, but merely seeks to identify and examine the important geo-political and historical events that have led to the uneven outcome of global trade. The Doha Ministerial Conference is appropriately the central focus of this critique, as its very commencement in 2001 serves as an institutional acknowledgement of the shortcomings of liberalized free trade and the hazards of global disenfranchisement. Contextualizing Doha also

allows for a more thorough examination of the WTO itself, and helps to put in perspective the incredible importance as well as the major shortfalls of the current multilateral trade system. To this end, the past events and future prospects of Doha are all taken into account in order to demonstrate the incredible difficulties that the WTO and the international trade community continue to endure in their search to rectify these imbalances.

## Chapter 2

### Background and Theoretical Framework

Before dealing with the current performance of the WTO's Doha Round, it is important to understand the history of international trade in order to fully appreciate how its past continues to affect the current trade landscape. The following addresses the various stages of international trades as well as the organizations and political mechanisms of global trade governance. Although the WTO's formal establishment took place in 1995, its roots in international trade can be traced further back to the turn of the 20<sup>th</sup> Century and the international institutions that were established during the post-war era (VanGrasstek 2013). In the decades prior to World War I, the global economic landscape comprised primarily of bilateral trade agreements between European countries. Following a Most Favored Nations (MFN) schema, international trade was relatively open in spite of a lack of any institutional mechanisms. Despite a lack of multilateral cooperation, countries at the time maintained generally low trade barriers and exercised minimal trade discrimination, leading to an upsurge in economic prosperity and overall trade volume (Irwin 1995). However, the events of World War I brought an end to the bilateral treaty schema and brought about an increase in protectionist policies, with the introduction of higher trade barriers and discriminatory practices such as foreign exchange controls and import quotas. These changes to international trade towards a more regionalized system were unable to be reversed despite attempts at reform from the League of Nations and the World Economic Conference (Irwin 1995). The Great Depression of the 1930s was another tremendous blow to the health of the world economy, and brought about a disastrous decade concerning trade with even greater protectionist policies and trade barriers being implemented. Many free trade theorists have attributed the crash to have caused or at least prolonged the depression (Dunkley 2000). As a

result of these economic disasters, a concerted effort was made by the prevailing economic powers following World War II and the Reconstruction era to create a robust international system that would reduce trade barriers and gradually remove tariffs (Irwin 1995).

## **The GATT**

Near the end of World War II, and led by the United States, a number of new economic and political systems were put into place, the most two notable being the Bretton Woods institutions, the World Bank and the International Monetary Fund (Steger 2009; VanGrasstek 2013). However, a third crucial element of international governance, the International Trade Agreement (ITO) was never formally ratified. This crucial piece ultimately fell victim to political climate of the Cold War, and strong opposition against a global trading system that could potentially undermine the economic sovereignty of participatory nation-states (VanGrasstek 2013). Ironically, it was the United States that proved the ITO's final downfall, with Congress failing to ratify the Havana Charter, which would have drafted the organization into existence (VanGrasstek 2013). In response to the failure of the ITO, another organization was formed in its place to work towards economic growth and financial stability, the General Agreement on Tariffs and Trade (GATT), a simplified and supposedly temporary arrangement that would ultimately serve as the umbrella for international trade for next half century (Steger 2009; VanGrasstek 2013). Formally established in Geneva in 1947, The GATT system's primary function was to reduce industrial trade tariffs, as well as promote multilateral agreements amongst its members with the specific goal of:



“raising standards of living, ensuring full employment and a large and steadily growing volume of real income and effective demand, developing the full use of the resources of the world and expanding the production and exchange of goods”.

- (The General Agreement on Tariffs and Trade 1947)

Under this free trade doctrine to promote financial stability and predictability, the GATT system began auspiciously, with twenty three countries ratifying it only two years after the War in Europe came to an end. The GATT’s inaugural negotiation round in Geneva included every major European country, collectively comprising more than 80 percent of world trade, and culminated in a large reduction of import tariffs, with the US alone reducing tariffs by 35% (Irwin 1995).

The GATT’s initial success was soon followed by a dubious fifteen year period that saw inconsistent economic growth and only marginable decreases in tariffs. During the 1950s, the GATT mainly tried to maintain the progress that was made at its onset, ensuring that members renew their pledges to keep trade tariffs low. Cold War politics also prove to be a major impediment for the free trade agenda, with the US withholding trade concessions and discriminating against satellite Soviet nations (Dunkley 2000). Moreover, the removal of trade tariffs gave way to an increase in non-tariff protectionist policies, measures that were allowed by the GATT under its emergency safeguard provisions (Dunkley 2000). The United States, Canada and Australia were notable countries who took advantage of these provisions, implementing protectionist practices such as quotas, subsidies, and interest rate concessions on behalf of their export and domestic industries, establishing an uneven economic playing field for the competition (Dunkley 2000). The late 1950s and 60s proved to be a little more productive for the GATT, coinciding with the creation of the European Union (EU) in 1957, and a reinvigorated effort on part of the United States to promote multilateral trade negotiations. The Kennedy

Round in 1967 proved to be the most successful negotiations of the post-war era in terms of overall decreases in trade tariffs. Reductions in tariffs and other major impediments to multilateral trade continued in the Tokyo Round of the 1970s, with the inclusion of Japan after pressure from the US and EU over Japan's tightly controlled economy (Irwin 1995). However, that period was littered with political squabbling among the GATT's membership.

The early to mid-1980s was a difficult transitional period for the GATT, largely from the increasingly aggressive tactics of the United States against any country that was perceived to limited access to US exports, in some cases resulting in retaliatory sanctions. Notable disputes included the conflict between the US and EU over the banning of US meat with growth hormones, and US sanctions against Brazil over its lax standards for intellectual property rights (Dunkley 2000). Many had attributed these trade conflicts and continued breaches of multilateral trade to be a systemic weakness of the GATT itself and its narrow-minded objectives. Another major issue of contention came from the GATT's safeguards provisions outlined under Article XVIII, which stated:

“The contracting parties recognize further that it may be necessary for those contracting parties, in order to implement programmes and policies of economic development designed to raise the general standard of living of their people, to take protective or other measures affecting imports, and that such measures are justified in so far as they facilitate the attainment of the objectives of this Agreement.”

–( GATT Article XVIII:  
Governmental Assistance to Economic Development)

This provision was loosely outlined and frequently abused, leading to an overall decrease in tariffs, but an increase in non-tariff protections. The United States in particular played a dualist role as both a champion for, as well as an opponent of liberalized trade, targeting other countries for not opening up their markets or removing domestic safeguards, while simultaneously

maintaining a number of protectionist policies in support of its own exports (Dunkley 2000). Other areas of trade such as agriculture and textiles fell out of the GATT's authority and left many non-industrialized nations with little reason to play an active role in GATT negotiations. The GATT dispute resolution and enforcement mechanisms were also seen as sorely lacking and costly, and critics saw the system as overly discriminatory process that invariably favored wealthier developed countries (DeKieffer 1980; Dunkley 2000). These major shortfalls would be addressed in what would be the GATT's final negotiation round, the Uruguay Round.

### **The Uruguay Round**

The apparent weaknesses of the GATT system and the only partial inclusion of developing countries into its agendas were the primary motivations for the commencement of the 8<sup>th</sup> Ministerial Meeting at Punta del Este in 1986 (Dunkley 2000; Finger 2001). The main objectives of this particular round were the reduction of non-tariff barriers to trade as well as the expansion of the GATT agreement to encompass other areas of trade including agriculture and textiles. These inclusions to the GATT, which had largely been ignored during previous rounds, were expected to increase the level of participation from developing countries who had remained largely passive in previous negotiations (Finger 2001). Prior to 1986, developing countries that were involved in negotiations mostly sought to free themselves from GATT rules and requirements to lower trade barriers, often times lacking the resources or technical expertise for favorable trade policy-making. Moreover, GATT regulations were predominantly inapplicable to the needs and desires of the developing world, as agriculture and textiles, areas of the economy that encompassed the overwhelming majority of developing countries' exports, and did not fall

under the umbrella of GATT multilateralism (Ostry 2002). In past rounds, certain agricultural goods like soy and wheat did appear as individual commodities and were subject to tariff restrictions, but agriculture as a whole was largely exempt from mandatory removal of import restrictions or subsidization. As such, GATT largely ignored the developing world until Uruguay, with many of their principle exports in food and clothing being exempt from trade barrier restrictions.

The Uruguay Round was expected to be the most comprehensive and largest in GATT's 50 year period, and would specifically address the weaknesses of the GATT system, incorporating new areas of trade that had previously been exempt, notably agriculture, textiles, trade in services, and intellectual property rights (Khan and Kazmi 1994; Ostry 2002). Totalling 117 contracting parties, the commencement of the Uruguay Round in 1986 in many ways reflected a crucial shift in current beliefs of international trade and its significance to development, as it was the first negotiation under the GATT system in which developing countries played a much larger and active role (Finger 2001; Ostry 2002). It was also heavily aided by a convergence of major political and economic factors on the world scene, including an increase in GATT membership of developing countries. Overall shares of global trade among developing countries rose from 21% in 1973 to 26% in 1986, and by the mid-1980s, GATT's membership consisted predominantly of developing countries, with 37 new members added in 1987 (Ostry 2002). Many of these nations were undergoing a difficult transitional period in their economies at this time as a result of the Debt Crisis of the 1980s and the structural adjustment programs imposed on them by the IMF and World Bank (Ostry 2002). This coincided with a dramatic decrease in the global value of agricultural exports (Sandiford 1994). As a result, developing countries began to reassess trade as an important facilitator for sustained social and

economic development, seeking greater access to developed markets (Finger 2001; Ostry 2002). This combined with the fall of Berlin Wall only three years later brought about a vindication of the free trade system, as well as a general increase in the desire for economic inclusion, diversification and reform (Ostry 2002; Tussie and Lengyel 2001).

Despite this extraordinary convergence of circumstances and more fervent efforts on part of developing member countries, Uruguay's discussions were still rife with painstakingly slow negotiations and growing political friction between developed and developing countries over a number of critical issues. Much of this was because of Uruguay's incredibly broad and ambitious agenda, which not only included agriculture, and continued reduction in tariffs for industrial goods, but also sought the 'tariffication' of non-tariff barriers, long-term commitments for reduced protections, eliminations of voluntary export restraints, institutional changes and reforms for anti-dumping and countervailing measures, as well as the inclusion of new aspects of trade like trade-related investment measures (TRIMS) and Trade-related Aspects of Intellectual Property Rights (TRIPS) (Kumar 2002). The largest and most contentious of these was the debate over agriculture, particularly agricultural subsidies, leading to a highly divisive split of GATT membership into various collations. Agricultural discussions were dominated by the United States, the European Union and the Australian-led CAIRNS group, a coalition consisting of 13 developed and developing nations (Hamilton and Whalley 1989; Ostry 2002; Tussie and Lengyel 2001). This collation of both upper and lower income countries from both Latin American and Asiatic regions was formed as a result of continued stalling from the EU over its Common Agricultural Policy (CAP) (Ostry 2002). At the same time, the US and EU were having their own disputes over the highly protected dairy sector, and the subsidization of farm goods (Sandiford 1994). Negotiations eventually came to a standstill at the 1988 Mid-term ministerial

conference in Montreal. At the conference, both US and EU negotiators declared that there was no agreement on agriculture, but all other issues agreed at the meeting could proceed. CAIRNS Group representatives responded by rejecting all other agreements until an agreement for agriculture was made to their satisfaction (Ostry 2002).

Agriculture was not the only significant obstacle that impeded progress in Uruguay talks. Other major topics of contention on the agenda included the regulation of trade in services and the issue of intellectual property rights. These areas of trade were not only new to the international agenda, but were also new to developing countries from an implemental standpoint. Developed countries, notably the United States, saw new opportunities for commercial and financial access into new markets, and insisted on the adoption of an internationally recognized standard for intellectual property rights (Finger and Nogues 2001). These measures were highly beneficial for developed countries' multinational corporations and private sectors, particularly for US pharmaceutical companies, while developing countries were wary of the procedural and implementation costs of these new agreements, and had great concern over the potential effects that intellectual property rights would have on the transfer of technologies (Hossain and Lasker 2010; Khan and Kazmi 1994). Trade in services was also a new and tenuous addition, as developed countries' pressured for the liberalization of services on behalf of their private sectors. This was due to the increasing importance of these sectors to the global economy and its potential benefits of foreign direct investment (Chanda 2002). Developing countries were largely unfamiliar with these 'new' aspects of trade, which proved to be difficult impediments and were met with resistance from the so-called G10 Hardliners, led by Brazil and India, who sternly opposed the inclusion of these issues into the negotiations. Thus, Uruguay trade discussions amounted to continuous waves of political haggling, with developing countries aggressively

trying to push agriculture onto the agenda while simultaneously trying to avoid making major commitments to these newly risen aspects of trade (Finger 2001; Finger and Nogues 2001; Ostry 2002).

### **The Grand Bargain and the Birth of the WTO:**

Despite serious drawbacks and continued delays, the long and overdue conclusion of the Uruguay Round culminated in two major milestones for international trade. The first was what Sylvia Ostry called the ‘grand bargain’, an exchange of concessions between the developed countries of the Global North and developing countries of the Global South (Ostry 2002). Following the standoffs at the 1988 Conference in Montreal and Brussels in 1990, an accord was finally reached between participating developed and developing countries in 1993. The US and EU also reached an accord on agriculture through the informal Blair House accord, and the G10 Hardliners eventually relinquished their stance on the exclusions of non-merchandise trade in services, agreeing to adopt domestic regulations in exchange for improved market access and reduced barriers in textiles and agriculture (Chanda 2002; Finger 2001; Ostry 2002). This exchange sought to reach a compromise between opposing groups. Developed countries would gradually open their markets and liberalize trade barriers for items like agricultural goods and textiles over a period of ten years, in exchange for developing countries agreeing to make commitments on areas like trade in services, investment and intellectual property standards (Finger and Nogues 2001; Ostry 2002).

The conclusion of the Uruguay Round resulted in a number of new agreements and institutional GATT reforms for a wide variety of issues. The largest was the agreement on

agriculture, in which signatory parties agreed to reduce subsidized exports by 36 percent over a period of six years, as well as reduce the overall quantity of subsidized agricultural goods by 21 percent (Sandiford 1994). Concerning tariff cuts, Uruguay resulted in a dramatic decrease in trade tariffs of industrialized goods, with an additional 40% cut for industrial products. Developing countries increased their bindings for new and more comprehensive reforms and non-tariff barriers to imports were systematically converted into tariffs, while numerous bilateral agreements like country-specific quotas were to be gradually phased out over a period of ten years (Kumar 2002). New safeguard provisions were established to remedy anti-dumping and countervailing duties. The trade dispute system also saw a number of new changes regarding its procedures. Prior to Uruguay, GATT's dispute system was plagued by severely deficient and unstructured set of procedures. Dispute settlements had no fixed timetables, often dragged on for months without conclusive rulings, and rulings that were made could be blocked by losing parties without any serious consequence. The old GATT provision required any ruling to be agreed upon by consensus, whereas in the new system, disputes were accorded a certain length of time, through clearly defined stages, and any dispute ruling would be automatically adopted unless there was a consensus against the ruling (Kumar 2002).

Undoubtedly the most significant outcome of the Uruguay Round was the formal establishment of a successor organization, the World Trade Organization (WTO), in January 1995, a provision which referred back to the original goals of the Havana Charter and the spirit of the ITO during the post-war period (Khan and Kazmi 1994). Created under the Marrakesh agreement, and unlike its predecessor, the WTO was formed as a permanent organization in which all power is allocated to and delegated by its contracting parties, and operates under a more intricate system with separate judicial and political bodies that make binding decisions



regarding the rules of trade as well as the rights and responsibilities of its member countries (Kumar 2002; Sandiford 1994). The WTO also established a new requirement to convene Ministerial Conferences at least once every two years (Kumar 2002).

The Uruguay Round was a crucial component to the expansion and continued propagation of free trade, not only reinforcing or reconfiguring past trade agreements, but also its inclusion of new areas of trade that heavily reflected the changing dynamics of the economic landscape of the late 20<sup>th</sup> century. Developing countries for the first time took on a more active role in trade discussions. New additions like trade in services and agriculture were heavily debated, and despite prolonged political stalemates and numerous missed deadlines, Uruguay officially concluded almost eight years after its initial commencement. The older provisional GATT system finally underwent a much needed transformation, and the WTO system greatly improved upon its largely outmoded predecessor, no longer exclusively focusing on developed economies, but also developing economies as well. As a result of continued liberalization and reduced distortions in various areas, international trade saw a significant increase during the 1990s, equating to about 6.3 annual percent growth in the volume of merchandise exports (Kumar 2002). However, this economic growth was not enjoyed by everyone, as many developing countries, particularly those considered to be least-developed countries (LDCs), saw very little overall gains and only incremental growth in market access (Kumar 2002; Ostry 2002; Sandiford 1994).

Table 1: Comparison of World Merchandise Exports by Region, 1990 and 2000

Year	Value	Share		Annual percentage change			
	2000	1990	2000	1990-00	1998	1999	2000
World	6186	100.0	100.0	6	-1	4	12
North America	1058	15.4	17.1	7	-1	5	12
United States	781	11.6	12.6	7	-1	3	11
Latin America	359	4.3	5.8	9	-1	7	20
Mexico	166	1.2	2.7	15	6	16	22
Western Europe	2441	48.3	39.5	4	4	0	3
European Union (15)	2251	44.5	36.4	4	4	0	2
C./E. Europe/Baltic States	271	3.1	4.4	7	-4	0	26
Central and Eastern Europe	116	1.4	1.9	8	9	1	14
Russian Fed.	105	-	1.7	-	-15	1	39
Africa	145	<b>3.1</b>	<b>2.3</b>	3	-16	10	27
South Africa	30	<b>0.7</b>	<b>0.5</b>	3	-9	1	12
Middle East	263	4.0	4.2	7	-21	28	46
Asia	1649	21.8	26.7	8	-6	7	18
Japan	479	<b>8.5</b>	<b>7.7</b>	5	-8	8	14
China	249	1.8	4.0	15	0	6	28
Six East Asian traders	649	7.9	10.5	9	-7	8	19

Source: (Trade By Region 2001)

[https://www.wto.org/english/res\\_e/statis\\_e/its2001\\_e/its01\\_byregion\\_e.htm](https://www.wto.org/english/res_e/statis_e/its2001_e/its01_byregion_e.htm)

The aftermath of the Uruguay Round and the establishment of the WTO, although profound steps towards the continued goal of economic liberalization and integration, were not without considerable drawbacks for a number of poorer developing countries, who in many cases saw only marginal economic growth and an overall reduction of their economic shares. While regions like Asia and Latin America saw the largest growth in exports between 1990 and 2000, other regions such as Africa saw reduced growth in exports (Table 1). This was especially true for the 33 non-oil producing LDCs who relied heavily on agricultural exports and who previously depended on trade preferences and import quotas from developed nations.

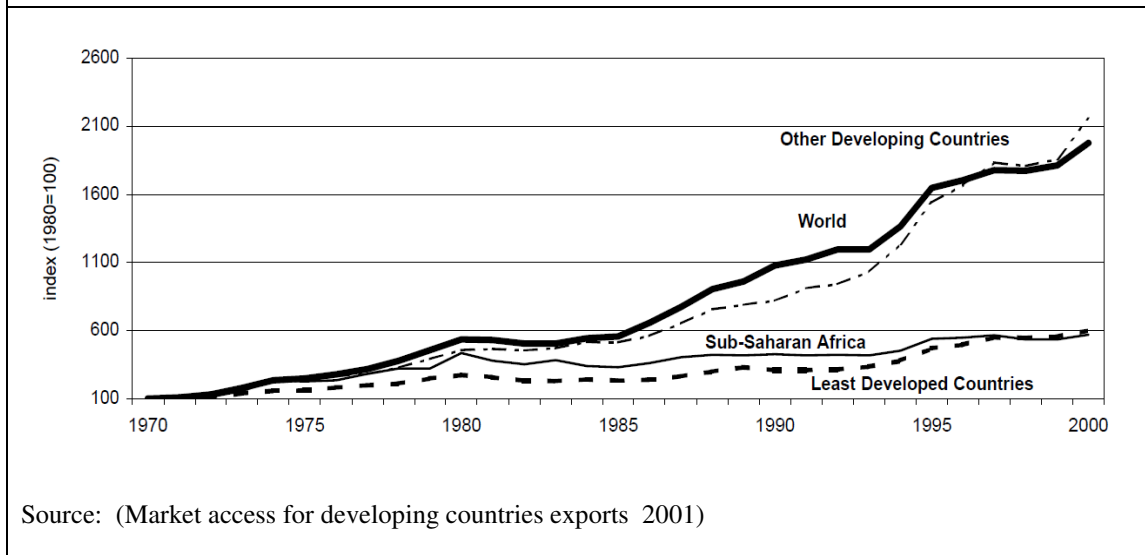
### **Aftermath of Uruguay and the debacle of the Seattle Conference**

The lack of economic gains and reduced market shares between 1994 and 1998 had heavily affected a number of developing countries. Part of the reason for this deficiency in gains stemmed from the concessions that developing countries agreed to make during the Uruguay Round discussions. The 'grand bargain' struck between developed and developing countries ultimately proved more one sided than most originally expected (Amorim 2000; Finger and Nogues 2001; Ostry 2002). Developing countries were burdened with costly domestic policy implementations over trade matters particularly customs valuations, intellectual property rights, and sanitary/phytosanitary measures (Henson and Loader 2001). These new additions, which were formerly inapplicable to most developing countries, were now important requirements in accordance to the Uruguay package. Developed countries, on the other hand, were still allowed to maintain trade barriers over the next several years (Finger and Nogues 2001; Kleen 2008; Ostry 2002). The formal establishment of the WTO also led to the decision for all countries to

retroactively assume all new and previous agreements regardless of whether or not they had previously participated or agreed with them, leading to an increase in both obligations and implementation costs of these binding agreements (Kleen 2008). These systemic changes in the WTO led to a greater erosion of domestic policymaking and forced national governments to undertake new policies that proved unhealthy to their developing economies, but were forced to do so in fear of economic sanctions (Khor 2000). Moreover, the changes to the bureaucracy made it more difficult for a single country to block or halt new decisions (Finger and Nogues 2001).

Implementation costs coupled with continued practices of protectionism from developed countries brought about a serious imbalance on the returns of trade liberalization between developed and developing countries, and did little to readjust the distribution of wealth (Amorim 2000). Among much denigration to the outcome of Uruguay, the TRIPS agreement was heavily criticized for not only delaying the process of technology transfers, but was also seen as unbefitting of the principles of free trade and multilateral agreements (Kleen 2008). Furthermore, despite introducing agriculture onto the multilateral agenda, very little substantial liberalization took place on the agricultural front, and the introduction of sanitary and phytosanitary measures in many cases replaced tariffs and quotas as difficult barriers that limited market access (Henson and Loader 2001; Kleen 2008). Countries that suffered the most however were lower income countries in less developed regions. As seen in Figure 3, Sub-Saharan African countries and non-oil producing least developed economies exhibited the smallest amount of growth in their export sectors.

Figure 3: Growth of Merchandise Exports, 1970- 2001 (Excluding Oil Exports)



The Uruguay Round and its impact on the economic landscape during the 1990s brought a serious imbalance of profitable returns between the Global North and Global South, where ultimately the more advanced developed economies reaped the greatest benefits. Critics of the Round declared that Uruguay asymmetrically favored developed nations in spite of increased participation from the developing world (Cho 2009b; Finger and Noguez 2001; Ostry 2002). Developing nations continued to suffer economically from the prolonged use of protectionist measures concerning sensitive areas of trade like agriculture and textiles, aspects of trade that most developing countries would otherwise have a comparative advantage, and therefore did not see the benefits of improved market access or any technical or financial assistance (McGuirk 2002) As a result of these conditions, many became disillusioned by the promises of improved economic development through free trade liberalization and WTO participation (Cho 2009a; Summers 2001). These dissolutions were felt at the organization's 1<sup>st</sup> Ministerial Conference in Singapore, as pressing issues were put forward regarding trade facilitation, transparency and competition. The conference highlighted developmental roadblocks for LDCs and other small

economies, as well as the dangers of continued marginalization under the current trade schema. It also stressed the need for the quick implementation of the Agreement on Textiles and Clothing for the benefit of poorer countries (Cho 2004). The 2<sup>nd</sup> Ministerial Conference took place at Geneva in 1998, and achieved little in the way of follow up regarding developing countries and their needs, partly due to the aftermath of a financial crisis that still heavily affected East Asian member countries. The conference was largely ceremonial, marking the 50<sup>th</sup> anniversary of the birth of the modern world trade system under the GATT agreement. WTO officials reaffirmed the need for multilateral agreements, warning against the use of protectionist policies, and agreed upon a work program regarding electronic commerce and tariff exemptions, but once again, developmental concerns were largely sidelined (Cho 2004).

The growing disillusionment of free trade globalization and WTO effectiveness among developing member countries reached a fever pitch at the 3<sup>rd</sup> Ministerial Conference in Seattle, Washington, where 135 representatives convened between November 30<sup>th</sup> and December 3<sup>rd</sup> in order to examine current trade agreements as well as discuss the possibility of formulating an agenda for a new round of negotiations at the onset of the millennium (Seattle Briefing Notes 1999). This conference was also expected to serve as a forum to discuss potential solutions over a number of issues, including implementation strategies of past agreements, environmental protection, labor laws and providing aid for severely hampered developing countries, in particular LDCs (Amorim 2000; Summers 2001). However, the meeting was plagued from the start by both hostile protesters and Non-Government Organizations (NGOs) who sought to disrupt the proceedings at every turn, as well as serious internal wrangling over the scope and objectives of a new Negotiation Round (Seattle Briefing Notes 1999). An address made by then President Clinton expressing his sympathies with demonstrators over their cries for greater labor

standards further fanned the fire, and put many developing countries on the defensive over the issue (Cho 2004). After four days of continued debate, a consensus could not be reached, and thus the Seattle Conference was terminated without any meaningful conclusions (Seattle Briefing Notes 1999; Summers 2001). The debacle of the Seattle Conference not only failed to procure a new trade agenda for the new millennium, but also cast serious doubts onto the future progression of global free trade and the validity of the WTO as a proper mediator.

### **GATT and the Uruguay Round in Retrospect**

In hindsight, the transition from the GATT to the WTO was a lengthy and complicated process that took decades to fulfill, and has since become an incredibly polarizing topic. Often falling victim to the changing dynamics of international trade as well as public opinion, the provisional GATT system took a very simplistic and traditional approach in promoting multilateral trade, concentrating mainly on the removal of tariffs for industrial goods. While it did succeed in its intended goal, it also proved extremely difficult to adjust to the changing climate of global trade during the 1970s and 1980s. The creation of the WTO as a replacement organization was seen as a small miracle and had been lauded by supporters as an assertion of free trade as a developmental solution. However, others saw it as ineffective attempt to modernize an already outmoded system that was intrinsically biased and in favor the world's most influential economies (Steger 2009). Many have since pointed out the polarization that had taken place among WTO members, particularly among developed and developing countries, with both continuously trying to pursue their own agendas, often to the detriment of multilateral agendas as a whole, and in many instances stifled economic progress and free trade liberalization

(Solanki 2012). The ascension of the WTO, while initially hailed as a triumph of free trade ideals and a milestone achievement for continued cooperation and global economic prosperity for all participating nations, has since been seen as an inherently biased system formed by developed economies for the benefits of developed economies, which inherently lacks the flexibility or the internal mechanisms to properly accommodate a newer and more diverse economic landscape. The effects that the WTO's transformation yielded proved far from desirable for a number of countries who did not receive the benefits of liberalizing their economies, and the growing discontent among developing economies have been well documented. The failure at Seattle compounded these growing resentments for both the WTO and the principles of free trade it has tried to instill (Steger 2009). It was for these reasons among many others that the Doha Round was launched. The following chapter will focus on the WTO latest negotiating Round and assess the major proceedings that have transpired throughout its lengthy discussions.



## Chapter 3

### A New Trade Round: Doha

#### The Doha Round

The Doha Development Agenda, more popularly known as the Doha Round, is considered by many scholars and economists to be a highly divisive and controversial subject, with volumes of literary works being devoted to its incredible complexity and spotted track record. Officially commencing at the WTO's 5<sup>th</sup> Ministerial Conference on 2001 in Doha, Qatar and continuing to this day, it has become the longest running trade round in global trade history, now in its 14<sup>th</sup> year with no definitive end in sight. But what exactly is the Doha Round, what are its main objectives, who are the central players most directly involved in its negotiations, and what are the potential repercussions should this round continue to stagnate or fail altogether? Answering these questions not only requires a close examination of the Doha Round itself, but also entails an understanding of the prime actors and the socio-economic climate that surrounded it, as well as an understanding of prevailing opinions of the WTO and global trade.

From the beginning, Doha's launch was burdened by both technical and political obstacles, as well as a sheer lack of political will among several major economic players. The European Union was among one of the more reticent of WTO members who were largely uncertain of a new round of negotiations, and opposed the very core of its built-in agenda. The United States, for its part, took a drastically different position in comparison to the beginnings of the Uruguay Round, and was far less inclined to initiate another round of negotiations after securing largely favorable terms in the last one (Kleen 2008). Another complication that arose was a growing interest and participation of NGOs in negotiation proceedings, propagated by the

growth of the internet and growing public awareness of WTO rulings and their social consequences (Kleen 2008). Also, despite their grievances regarding the WTO system and a desire to redress the imbalances brought under the GATT system, developing countries were themselves put in a difficult position to engage in another round after struggling to absorb the costly concessions made during the Uruguay Round (Cho 2010; Kleen 2008). Given these realities, and coupled with the disastrous debacle of the Seattle Conference, prospects for launching a new round looked bleak (Kleen 2008).

It was against this less than auspicious backdrop that Doha officially commenced on November 2001. Spurred on by the political realities of the new millennium, mainly the slowdown of the world economy and the mounting problems caused by Uruguay's agenda, WTO officials and world leaders agreed to convene another round in Doha, Qatar under less than stellar conditions (Cho 2010). The locale was also a very deliberate choice, as the uncertain political climate at the time fostered a need to promote international good will following the September 11<sup>th</sup> terrorist attacks, particularly among Middle Eastern countries (Cho 2010; Kleen 2008). Doha's official mandate was incredibly broad and ambitious, even larger than Uruguay's, and stood out from all other previous rounds to date because it was specifically labeled as a Development Round from the very beginning, taking a special interest in not only the international but also the internal economic constraints that developing countries face and highlighting the importance of trade as a means of development (Cho 2010). Much of these new changes in direction and greater emphases on development was largely the result of a noticeable shift in economic power away from the long dominant developed countries, and the emerging economic clout of larger developing countries, with China's ascension to WTO member status being finalized at that very same Conference (Cho 2009a, 2010; Steger 2009). Doha's

declaration encompassed a wide range of important trade-related and developmental issues. As seen below, a large number of listed goals outlined in the declaration specifically pertained to the needs of developing countries, or addressed the issues of implementation that manifested following the outcome of the Uruguay Round.

Table 2: Doha Ministerial Objectives as of 2001
<ul style="list-style-type: none"> <li>- The phasing out of agricultural subsidies and other trade-distorting domestic support*</li> <li>- Solutions to implementation-related issues faced by member countries*</li> <li>- The expansion of non-agricultural market access*</li> <li>- The continued discussions of trade in services</li> <li>- The review and implementation of the TRIPs agreement</li> <li>- Continued discussions regarding the relationship between trade and investment</li> <li>- Establishing a multilateral framework for the enhancement of trade and competition *</li> <li>- Improving transparency in government procurement</li> <li>- The identification and improvement of trade facilitation needs and technical assistance and support*</li> <li>- Clarification and improvements to WTO disciplines, taking into account the needs of developing and least developed countries*</li> <li>- Clarification and improvements to the WTU Dispute Settlement Understandings</li> <li>- Environmental considerations and reform</li> <li>- Establishment of institutional arrangements regarding electronic commerce</li> <li>- Examination of the relationship between trade, debt and finance and potential solutions*</li> <li>- Improving market access for LDCs*</li> <li>- The implementation of special and differential treatment for developing countries and LDCs*</li> </ul> <p>* Notes objectives specifically related to development</p> <p>Source: (Doha Ministerial Declaration 2001)</p> <p><a href="https://www.wto.org/english/thewto_e/minist_e/min01_e/mindecl_e.htm">https://www.wto.org/english/thewto_e/minist_e/min01_e/mindecl_e.htm</a></p>

Doha's labeling as a developmental agenda not only served as a recognition of the growing influence of developing countries, but it also was an attempt to rectify the limitations of

current multilateral agreements and the need for exemptions and assistance for countries who failed to benefit from liberalization or lack the infrastructure or technical expertise to effectively compete. It also endeavored to address many of the growing criticisms of increasingly vocal NGOs and developing countries regarding certain trade practices. As stipulated in its official mandate:

“We agree to a work programme, under the auspices of the General Council, to examine issues relating to the trade of small economies. The objective of this work is to frame responses to the trade related issues identified for the fuller integration of small, vulnerable economies into the multilateral trading system, and not to create a sub-category of WTO Members. The General Council shall review the work programme and make recommendations for action to the Fifth Session of the Ministerial Conference.”

-(Doha Ministerial Declaration 2001)  
Paragraph 35

These new objectives and sweeping declaration instilled a renewed emphasis for multilateral discussions and hope for lasting change of the world economy. Countries of the Global South expected their plights to be resolved and the trade imbalance caused by Uruguay to be redressed. Considering the urgency of the matter and the political climate at the time, an ambitious deadline was decided by January 1<sup>st</sup>, 2005 (Cho 2010). That deadline ultimately proved woefully unrealistic.

### **The Cancun Debacle**

The fifth Ministerial Conference in Cancun, Mexico convened on September 14<sup>th</sup> 2003 and was launched to assess the progress of Doha negotiations and develop a workable framework that would facilitate Doha’s completion by the initial deadline (Cancun Ministerial Statement 2003; Cho 2004). More fundamentally, Cancun was meant to evoke a more optimistic outlook

for the future of the global trade system and the global trading community at large. Yet despite ardent attempts and a desire for a quick conclusion, the Conference terminated after a complete and irreconcilable collapse in negotiations, delivering a serious blow to the promise of a swift and trouble-free negotiation process. Cancun's concluding statement thereafter urged for WTO officials to "continue working on outstanding issues with a renewed sense of urgency and purpose and taking fully into account all the views we have expressed in this Conference" (Cancun Ministerial Statement 2003).

What were the reasons for this outright failure? The problems behind this collapse stems from a combination of internal complications as well as opposing external political and economic forces (Cho 2004). Not unexpectedly, agriculture was at the center of the controversy. Despite commitments made at Doha from member countries to remove export subsidies and domestic support, very little in the way of reductions had been made this area, and Cancun soon became a hotbed of dissenting political motivation with member countries failing to agree on basic sets of modalities (Cho 2004). The United States and European Union took a surprising joint stand on agriculture, and offered a proposal filled with vagaries that entailed only limited removal of export subsidies to products deemed of particular interest to developing countries, as well as a category for lesser-trade distorting support which lacked a detailed timetable or specific reduction figures. Their stances were heavily influenced by domestic agricultural sectors and private industries, with the EU's Common Agricultural Policy and then-President Bush's 2002 US Farm Bill, domestic policies that directly violated WTO trade rules against subsidies and trade-distortions. Heavily opposed to this stance were China, India and Brazil, who over the course of negotiations persuaded other countries and formed a coalition of 21 countries,

submitting their own proposal for the complete elimination of all export subsidies for all products (Cho 2004). The US and EU subsequently rescinded their proposal.

Agriculture was far from the only roadblock that WTO ministers and representatives faced. Other major impediments on the agenda were the so-named Singapore issues, which were originally raised at the WTO's 1<sup>st</sup> Ministerial Conference, and caused a major rift between developed and developing countries over its relevance on the WTO trade agenda as well as effective means of implementation. These four principle issues heavily contributed to the debacle of the Seattle Conference of 1999. Singapore concerned the relationship between Trade and Investment, interaction between Trade and Competition Policy, transparency in Government Procurement and trade facilitation, subjects that proved extremely divisive among Global North and Global South Countries ((Baldwin 2006; Cho 2004). These issues, technically complex, and heavily entrenched in both the social and domestic levels proved an immovable obstacle that could not be adequately resolved (Baldwin 2006; Cho 2004).

The debate on textiles was an equally controversial topic, particularly for the four cotton-producing African countries of Benin, Burkina Faso, Chad, and Mali, who issued a desperate proposal entreating for richer WTO members to eliminate all subsidization of cotton farming and accord their own cotton farmers financial compensation for economic damages (Cho 2004). Heavily reliant on cotton, which accounted 80 percent of their total exports, these countries specifically attacked US subsidies, which directly hurt their economies, and prevented them from competing on an equal footing. This proposal gained support, but was ultimately rejected by the US, who insisted on diversification and argued that US subsidies were not entirely to blame for market distortions (Cho 2004). These obstacles proved to be too daunting to be resolved, and

collectively led to the failure of Cancun negotiations on September 14<sup>th</sup>, effectively guaranteeing that the original deadline to conclude the Doha agenda would not be reached (GAO 2004).

The demise of the Cancun Ministerial Conference served as a rude awakening for many countries and its failure placed the WTO in a precarious position. What was supposed to be a midway assessment of global trade progressions of the Doha Agenda devolved into a political medley of oppositional views and finger-pointing over who was to blame, with developed and developing countries blaming one other for the conference's failure. More overtly, however, Cancun demonstrated the extreme difficulty of the current climate of trade negotiations and the surprising fragility of the world trade system (Baldwin 2006; Cho 2004). The WTO was heavily criticized for its lack of preparation and many of its member countries were also blamed for constant missed deadlines. The fallout from Cancun not only brought into question the future of the global trade community, but also exasperated an increasingly growing trend of power struggles, fractionalization and regional as well as ideological demarcations.

## **Hong Kong**

The failure of Cancun placed WTO officials on damage control, and an attempt to remedy the situation was made in Geneva in July 2004, where WTO members finally succeeded in agreeing on a framework for the remainder of the Doha Round in preparation to the next Ministerial Conference in Hong Kong (Cho 2010; Green 2005). The 'July Package' included frameworks for agriculture and cotton and also acknowledged the sensitivity of these trade matters on the global agenda, in particularly to developing countries and LDCs (Doha Work Programme 2004). However, this early success soon waned due to missed deadlines over

implementation strategies and the usual suspects of sensitive trade issues. The US and EU attempted to reinitiate the momentum by submitted agricultural proposals, focusing on domestic support, market access and export competition, but their proposals proved quite hollow upon further inspection, entailing little to no cuts to export subsidization. It also stipulated a number of loopholes to allow the continued dumping of agricultural goods. In spite of the shallow agricultural agreement, the EU still demanded increased market access from developing countries in exchange for what concessions were made (Green 2005). Other major areas of trade proved equally problematic; disputes over nonagricultural tariffs and the proper formulas for tariff cuts bogged down subsequent proceedings. The service sector fared little better, as developed countries, particularly the EU, felt underwhelmed by the offers presented by developing countries, and as a result pushed for a new system of minimum benchmark commitments which was contrary to all other existing WTO agreements. A draft text of the proposal was produced in October of 2005 in spite of complaints from developing countries (Green 2005). However, an agreement on trade modalities consequently failed to be reached (Fergusson 2008).

The start of the Hong Kong Ministerial Conference in December of 2005 became a political battleground over recurring issues of agriculture and cotton, with a number of different WTO members coalescing into various alliances for the benefit of political bargaining power and mutual benefits. Although coalitions of likeminded countries had existed throughout previous negotiations, the Hong Kong Ministerial saw a massive consolidation of various block groups in opposition to the Global North. The largest, the G 110 block group, consisted of a huge majority of developing countries from the African, Caribbean, Pacific Group of States (ACPs), LDCs, the Small Vulnerable Economies (SVEs), and the Africa Group (Green 2005), with Brazil and India



emerging as two of the primary leaders. Power-plays between the US, EU and G110 muddled negotiations with the US and EU attempting to divide developing countries over specific trade issues and bi-lateral offers of significant Non-Agricultural Market Access (NAMA) concessions (Green 2005). This political wrangling amounted to very little, ultimately devolving to threats and assignments of blame for another potentially failed conference (Cho 2010; Fergusson 2008).

For a time, the Hong Kong Ministerial Conference appeared as if it was going to be a success, and even managed to make some significant gains in a number of trade areas, including agriculture. A definitive deadline was agreed upon for the phasing out of all export subsidies by 2013, as well as provisions for Special Safeguard Mechanisms (SSM). SSM rules allowed developing countries a certain modicum of freedom to set aside products that are most vital to their domestic industries and rural development through volume and price controls (Green 2005). Developed countries also agreed to more rigid and explicit rules regarding domestic support, which theoretically should have restricted developed countries' continued practices of market distortions. These provisions were necessary addendums, but they did little to address the larger issues of dumping, and did not heavily cut into issues of subsidy exemptions for richer countries. Cotton was another hard fought issue that received some progress for African cotton-producing countries. After a very unsubstantial offer from the US, African countries managed to negotiate the total elimination of export subsidies as well as promised commitments from the US to further reduce trade-distorting practices for cotton (Green 2005). NAMA discussions boiled down to disputes over applications of appropriate tariff-reducing formulas, with developed countries advocating the Swiss Formula that inequitably cut developing countries' higher tariff levels than developed countries' lower tariff levels. Developing countries formulated another core group of nine countries in opposition, led by Argentina, Brazil and India, successfully fending off the

proposition. The Swiss Formula was amended, opening up new prospects for a more developmentally friendly alternative, although an agreement on the particular aspects was never reached (Green 2005). Perhaps the most critical issue for LDCs and SVEs was the component of the negotiations dedicated to establishing modalities for Aid for Trade. To this end, members agreed to a WTO task-force dedicated to improving poorer countries trade capacity and provide improved opportunities (Green 2005). This stipulation was regarded as long overdue and welcomed addition to the Doha Round's developmental focus. However, despite these gains, negotiations once again effectively stalled, with WTO members failing to agree on modalities for the larger issues of agriculture and NAMA, pushing Doha's scheduled deadline to April of 2006 (Cho 2010). That deadline was once again missed and pushed to June of the same year, but irreconcilable differences over the main issues of the agenda proved too great to overcome.

### **Geneva, Bali and Beyond**

The Hong Kong Ministerial Conference was seen by many as the last best chance to put the Doha Round back on track, but political and commercial differences among key players in the negotiations ultimately derailed any hope of a definitive resolution. Future negotiations subsequently failed to bear fruit at a high level meeting in Geneva on June 20<sup>th</sup> 2006, after a compromise proposed by the WTO Director General Pascal Lamy dubbed the '20-20-20 proposal' fell through (Fergusson 2008). World leaders and representatives convened at St. Petersburg for a G-8 summit to renew their pledges to reach an agreement on modalities for agriculture and industrial market access, but less than a week later, future negotiations were indefinitely suspended on July 24, 2006 (Fergusson 2008). The reasons for the suspension was

attributed to an irreconcilable deadlock among the G-6 group of countries, namely the US, EU, Japan, Australia, Brazil and India over agricultural tariffs and subsidies (Fergusson 2008). This suspension was the first time in WTO history that a schedule for a new ministerial conference would not be announced, and brought about serious doubts to the success of the Doha Round as well as uncertainty for the future of the global trade community (Cho 2010).

Following the suspension of future ministerial conferences, the US, EU, India and Brazil engaged in their own discussions to resolve the deadlock of agriculture and NAMA modalities, but resulted in another collapse on the third day of the G4 Ministerial Meeting at Potsdam, Germany in June of 2007 (Ismail 2009). Follow-up committee level discussions in July of that same year yielded some much needed results, with the chairs of both agriculture and industrial market access managing to create a draft text of modalities and supposedly balanced concessions between developed and developing countries. After a number of revisions, the draft was circulated in July of 2008 in Geneva, but was heavily panned by virtually all parties involved and unsurprisingly, negotiations failed (Fergusson 2008).

The Global Financial Crisis of 2008 spurred many world leaders to reconvene higher-level trade talks, and was largely the main motivation for the reinstatement of the WTO's ministerial conference. The 7<sup>th</sup> Ministerial Conference in Geneva took place on November 30<sup>th</sup> 2009, four years after the termination of the one in Hong Kong, and exactly a decade since the disastrous Seattle Conference in 1999. Unlike the other conferences, however, Geneva 2009 avoided detailed trade discussions over the more contentious issues, focusing instead on the review of WTO functions and activities as well as ironing out minor technical issues regarding electronic commerce and TRIPs agreements (Scott and Wilkinson 2010). By comparison to other conferences, and in particularly the disastrous Seattle Conference which took place a

decade before, Geneva was a surprisingly small-scale, with considerably fewer participating delegates. It also drew considerably less media attention than previous conferences, with less than 400 journalists attending compared to more than 4,000 journalists accredited to have attended Hong Kong. NGO participation was also considerably reduced, with 435 officially represented as opposed to more than a thousand NGOs in Hong Kong (Scott and Wilkinson 2010). This relative scaling down and apparent lack of mainstream interest in WTO proceedings was partly due to the deliberately unambitious nature of the Conference, and partly due to the overall public perception that nothing significant would be agreed upon (Scott and Wilkinson 2010).

Geneva's Ministerial Declaration reaffirmed the urgency and collective desire to conclude the Doha Round by the end of 2010, and to this end, delegates agreed to take on a stock talking session, although the details and content of this session were left undecided (Scott and Wilkinson 2010). Beyond the declaration however, Geneva 2009 accomplished little to resolve the larger problems of Doha. The conference was considered and deliberately designed to be a non-event in order to minimize the possibility for another consecutive failure (Grammling 2009). Instead delegates focused on the technical aspects of WTO discussions, which led to the ratification of three main agreements. The first was an addendum to the TRIPS agreement concerning non-violation and situation complaints. The second entailed the memorandum regarding tariffs for electronic commerce. The third and most significant was a draft resolution on the long enduring EU banana dispute. This third agreement, which entailed the EU cutting its tariffs on bananas at the behest of Latin American countries, was actually harmful for ACP countries that were dependent on the EU for their banana exports. In restitution, the EU was to

provide 200 million dollars in aid to ACP countries to diversify their economies in order to cope with the economic shortfalls of this agreement (Scott and Wilkinson 2010).

The unsatisfactory outcome of the Geneva Conference was an unfortunate blow to the prospects of a conclusion to Doha. The 2010 deadline once again lapsed, and as before, questions as to the level of commitments among member countries towards completing the Doha agenda were raised. Geneva 2009, although technically a success, lacked the ambition and the political earnestness that former conferences carried, and ultimately failed to even attempt to remedy the political rift between developed and developing countries (Grammling 2009; Scott and Wilkinson 2010). The situation did not improve at the Doha's 8<sup>th</sup> Ministerial Conference two years later, when delegates declared another impasse regarding Doha trade discussions, ending with trade ministers formally directing WTO members to reassess and explore new approaches to the negotiations. Yet just as all faith and remaining political will seemed to be completely exhausted, a small breakthrough was made at the WTO's 9<sup>th</sup> Ministerial Conference in Bali.

The Bali Ministerial Conference, which took place on December 2003, represented a historic milestone in the history of the WTO, as it was the first time since the organization's formal establishment that a multilateral agreement was successfully ratified (Karmakar 2013). In the months leading up to the conference, representatives attempted to identify a small package of proposals that were more realistically and more likely to be agreed upon, which entailed broad-stroke proposals for three of the larger sticking points of the Doha negotiations: agriculture, trade facilitation and special and differential treatment/LDCs issues (Briefs 2014; Karmakar 2013). Agriculture in particular was a daunting task to overcome, as the EU and India disputed over issues of food securities, in particular the appropriate use of public stockholding for food securities and domestic aid (Briefs 2014; Karmakar 2013). However the two sides eventually

reached a compromise, with India accepting a deal for greater leniency regarding food securities in which no WTO member would challenge a developing country that exceeded the permissible limit of agricultural domestic support (Briefs 2014). Trade facilitation essentially concerned the reduction of border barriers and involved the improvement of customs procedures. Developmental issues regarding LDCs included the adoption of an improved Monitoring Mechanism to allow the WTO to analyze and review the implementation of Special and Differential Treatment (S&DT), which allowed for duty free, quota free market access, and waivers for LDCs on services (Karmakar 2013).

The Bali Ministerial Conference provided a much needed breakthrough for the WTO and revived the organization's credibility as a relevant institution for global trade in an increasingly complicated and regionalized geo-economic landscape. However, as in the past, the Bali package was seen as more of a victory for industrialized countries like the US and EU, as well as larger industrialized developing countries, because of the agreement on trade facilitation, notably the liberalization of customs procedures. Meanwhile, LDCs and smaller developing countries largely received interim solutions regarding food securities, and promises for continued efforts to reach permanent solutions. This salvaged version of the original Doha mandate, though perhaps more attainable than its predecessor given past differences and a precarious economic climate, has also potentially diluted the original goals of the agenda and its developmental focus (Devarakonda 2013). WTO officials have assured the agreements reached in Bali would not be the end of Doha, but rather the beginning of a long trek to the completion of the Round, and have announced their intentions to capitalize on recent gains in negotiations at the upcoming 10<sup>th</sup> Ministerial Conference in Nairobi, Kenya. Yet whether or not this small measure of success in Bali will herald a promising conclusion to the nearly fourteen-year long Doha Round remains uncertain.

## Chapter 4

### An Uncertain Future?

#### What Went Wrong With Doha?

The Doha Round has been characterized by a string of failures, compromises and missed opportunities since its early beginnings. Its ailments are heavily rooted in the history of multilateral trade, harkening back to the legacy of the GATT, the Uruguay Round and the long existing trade imbalances that manifested between the Global North and Global South. Despite the round's official labeling as a developmental round, the developmental aspects of the agenda have in many cases been sidelined on account of the disputes between the larger developed and developing countries over agricultural subsidies and market access negotiations. The Global Financial Crisis of 2008 also took a heavy toll on WTO members, with trade volume actually shrinking by 9%, the largest contraction since World War II, making it a difficult environment for continued trade discussions and concessions (Karmakar 2013). The latest Bali Conference in 2013 offered some much needed optimism to the international trading community, as well as enabled a long overdue agreement on trade facilitation, but questions as to whether or not Doha can be salvaged remain unanswered. Within the last several years, criticisms have been issued that the WTO as an institution has grown out of date and out of touch with a rapidly changing and increasingly regionalized trade landscape (Hufbauer, Schott, and Wong 2010; Koopmann and Wittig 2014). Why has the Doha Developmental Agenda taken so long to complete, and why has a compromise between developed and developing countries proved so problematic to reach? Perhaps more interestingly, what are the potential ramifications if Doha continues to remain unresolved, and who are the nations with the most to lose should it fail? The answers to these

questions lie at the very core of Doha's developmental roots, as well as the changing dynamics of an incredibly complex and ever changing free trade system. Current scholarly works have identified three main factors that have directly contributed to this deadlock:

- 1) Differing opinions and anticipations for the Doha Round have greatly undermined the negotiation process and directly led to the demise of the Cancun and Geneva Conferences
- 2) The ascension of larger developing economies such as Brazil, Russia, India, China and Korea (BRICK) have offset the traditional balance of power between the Global North and Global South
- 3) The global trade landscape has shifted away from WTO multilateral trade agreements towards regional and bilateral agreements between countries

These three factors are closely interrelated and exemplified throughout GATT's/WTO's history (Cho 2010; Kleen 2008; Steger 2009).

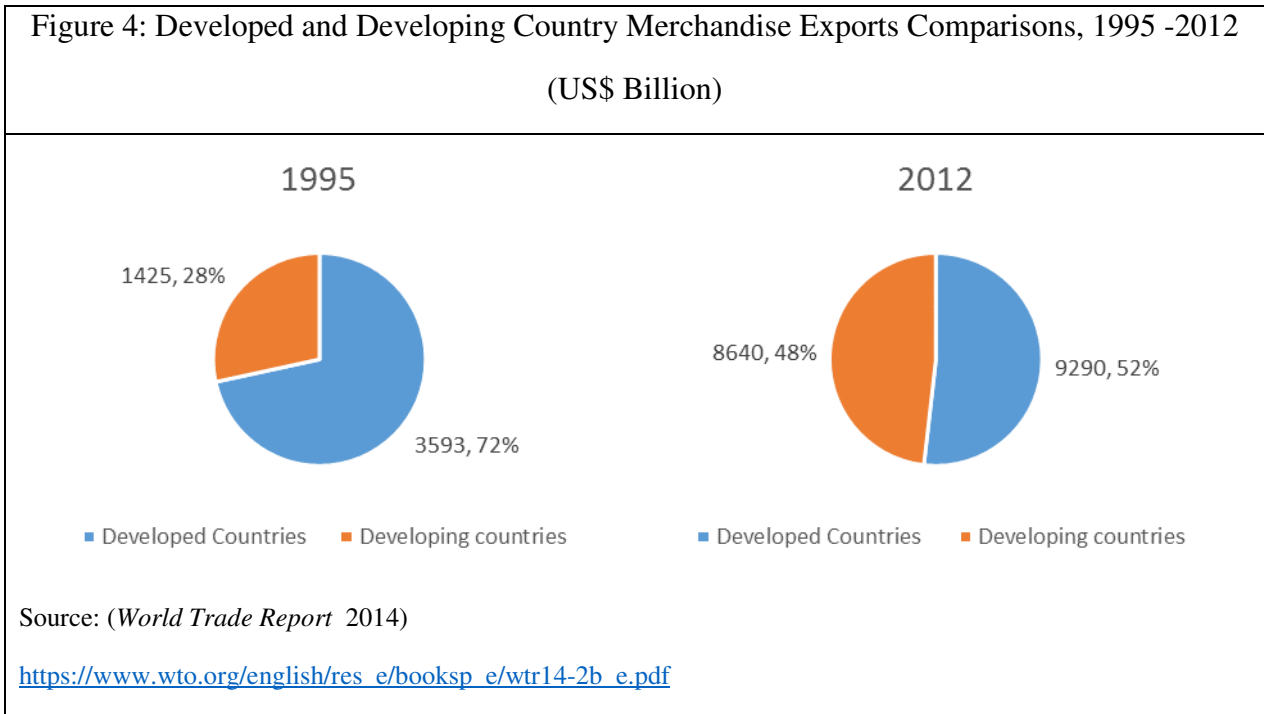
Doha's unique developmental focus is what separates itself from every other trade round in GATT/WTO history, but it has also been a primary issue of contention among WTO members and one of the principle causes for the Round's deadlock. Sungjoon Cho's analysis of Doha attributes the failure in part to the Round's incapability to juggle the developmental goals of developing countries while simultaneously accommodating to the interests of developed countries (Cho 2009b, 2010). This conflict stems from the philosophically contrasting viewpoints of the Global North and Global South over their expectations of the Doha Round, particularly over their opinions on agricultural sectors. Developed countries such as the US, EU and Australia repeatedly sought to utilize the Doha negotiation process as a means of pursuing



their own commercial interests and gain increased market access from larger developing countries. This was evident at the Cancun and Hong Kong Ministerial Conferences, when both the US and EU used their enormous agricultural protections as bargaining chips in exchange for improved market access (Cho 2010). Developing countries, for their part, wanted developed countries to remove any agricultural protections without offering significant compensation. India, China and Brazil in particular were key negotiating players and among the largest opponents to the US and EU, particularly over issues like SSM and cotton subsidization (Wolfe 2015). These differences exasperated already sensitive trade talks and directly led to the debacles at both the Cancun and Geneva Ministerial Conferences in 2005 and 2008.

Although irreconcilable philosophical differences over key aspects of trade were the most obvious reasons for Doha's continued stagnation, trade discussions were also equally affected by larger systemic shifts in the global economy (Kleen 2008). As a point of comparison, GATT's Uruguay Round was another equally controversial and highly complex negotiation round that attempted to reconcile a number of shortfalls that developing countries had with the global trade system. In many ways, Doha was launched as a direct reaction to the outcome of the Uruguay Round, and meant to address the trade imbalances that manifested as a result of its lopsided agreements. Why had the Uruguay Round successfully concluded while Doha so far has not? According to Peter Kleen, part of the reason for this was that developing countries as a whole, were both ill equipped and unfamiliar with GATT negotiations, and subsequently lacked the means to pursue their own interests. Also, developing countries predominantly lacked strong economic clout during the latter part of the GATT era (Kleen 2008). After the New Millennium however, this shift in economic power drastically changed, largely due to the incorporation and ascendancy of Brazil, China and India as key players of global trade and the largest political

opponents against the US and EU concerning WTO negotiations. As seen in Figure 4, the total merchandise export value for developing countries sextupled between 1995 and 2012, and total export shares increased from a little more than a quarter of the total merchandise export value to nearly half. This massive growth of developing countries led to a paradigm shift within the structure of the WTO, and allotted developing countries much more political clout within Doha's negotiations than in previous ones. This, while helpful from a democratic standpoint within the system of the WTO, has also led to a practical deadlock for negotiations, with neither side wanting to budge on key issues.



The third and perhaps one of the most daunting challenges to the Doha Round and the WTO as a whole is the growth of bi-lateral and regional trade agreements (RTAs) during the 21<sup>st</sup> century. RTAs fundamentally contradict the overall designs of the current multilateral trade schema, but they also serve as viable potential alternatives to the WTO trade system and have

grown in number since the mid-1990s. By the year 2006, there were 214 regional trade agreements that were in force, and by 2015, that number nearly doubled to 406 RTAs (WTO Trade Profiles 2015; Fiorentino, Verdeja, and Toqueboeuf 2007). This growing trend is as much a symptom of the WTO's failings as it is another obstacle, as countries, frustrated by the lack of progress from the Doha Round's single undertaking, are now utilizing regional trade agreements to suit their economic and developmental needs. RTAs are also growing far more complex, and are going beyond the trade scope of the WTO to incorporate other dimensions including labor and environmental concerns. This has been particularly true for developing countries, who are now signing agreements amongst themselves. Debra Steger explains that the credibility of the WTO hinges largely on the completion of the Doha Round (Steger 2009). A failure to conclude it may result in a loss of faith in the WTO's multilateral system, a more segmented economic landscape and a loss in international transparency (Hufbauer, Schott, and Wong 2010; Steger 2009).

The long and increasingly complex history of the Doha Round has been marked by repeated setbacks and continued deadlocks, resulting in a more fractionalized global trade environment. While some hope for the Round's conclusion remains after the Bali Ministerial Conference in 2013, much of the larger problem topics like agriculture and NAMA have remained unresolved, and require continued efforts and compromises from both developed and developing countries if Doha is to finally succeed. While larger developed and developing countries have come to dominate increasingly complex trade negotiations, it is also important to recognize the economic players that potentially have the most to lose, and it is critical not to lose sight of the original goals of the Doha Round itself. The following discussion examines the past

experiences and future prospects of smaller developing countries and marginalized economies of the WTO that are at the greatest risk of economic disenfranchisement.

### **Developing Nations and Global Trade:**

Developing countries represent a large majority of WTO membership, and ostensibly are at the heart of the current trade negotiations. This standpoint served in many ways as an acknowledgement from the WTO of the failure of the preceding Uruguay Round and the imbalanced outcomes it fostered (Khor and Ocampo 2010). As an attempt to address this imbalance, Doha's declaration clearly emphasizes the importance of global trade to sustainable development:

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. Recalling the Preamble to the Marrakesh Agreement, we shall continue to make positive efforts designed to ensure that developing countries, and especially the least-developed among them, secure a share in the growth of world trade commensurate with the needs of their economic development.

-(Doha Ministerial Declaration 2001) Paragraph 2

The WTO's multilateral free trade system is essentially built upon two central pillars. The first is the promotion of non-discriminatory Most Favored Nation (MFN) trade practices among all members, meaning that all countries with MNF status will be accorded equal treatment, and given the same trade advantages like low tariffs. The second is the exception to that general rule, concerning the Special and Differential Treatment (S&DT) clause, which is especially pertinent to low income countries and Doha's developmental mandate. S&DT states that developing countries will not be required to provide concessions to developed countries or strictly adhere to

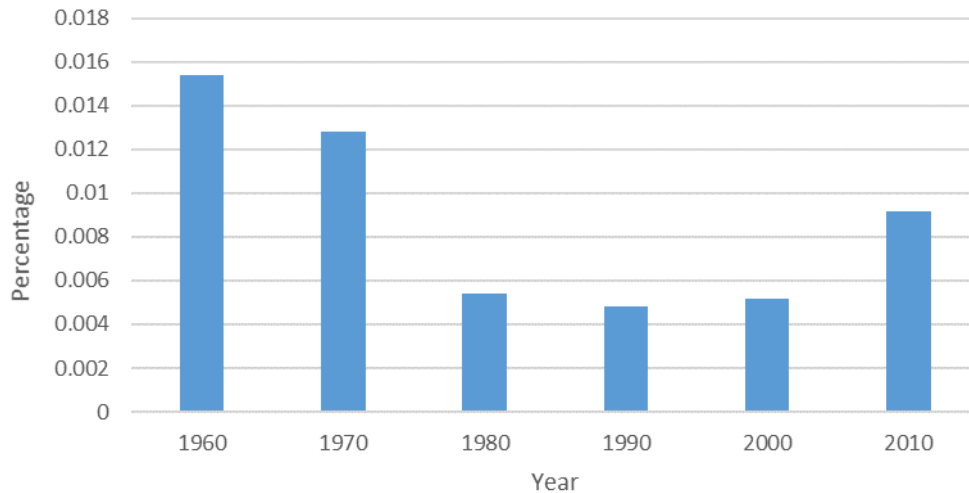
the mandates of the WTO so long as doing so can impede with social and economic development (Bagwell and Staiger 2014). However, the growing complexities of global trade have raised new challenges for the multilateral system.

As mentioned earlier, economic growth of the developing world had offset the traditional balance of economic power, leading to a more level playing field, but at the same time, putting negotiations in a more precarious state in which compromises are less likely to be made (Cho 2010). However, this growth has not been shared by all developing countries equally, and the overall experiences of the developing world within the WTO's multilateral trade system have been less than stellar. Despite the declaration for economic improvements and development, the Round has been beset by a number of unfortunate setbacks, which was largely on account of WTO's single undertaking (Khor and Ocampo 2010). This dimension to free trade proved more of a burden than a benefit, as all issues on the agenda had to be agreed upon in order to move forward, holding up issues like Aid for Trade and other S&DT provisions. The growth of regionalized trade has also led to uneven results amongst and within varying geographical locations, with areas like East Asia and Latin America exhibiting much greater economic activity, while others like South Asia and Sub-Saharan Africa exhibiting considerably less activity and commercial opportunities (Khor and Ocampo 2010). These alternatives can prove highly profitable to countries of the Global South, particularly following the 2008 Global Financial Crisis. While this large recession had all but stunted economic growth for developed countries, and severely reduced demand, regions of the Global South actually experienced economic growth (UN General Assembly Report 2014). It also undermines the MFN principle that is so vital to multilateral trade.

Overall, the complicated nature of today's global trade environment has had a mixed and uneven impact on the economic outlook of the developing world, with some developing countries, particularly members of the G33 having the lion's share of both political and economic clout, while smaller economies have and continue to be in danger of marginalization. Ironically, it is these small and least developed economies that could potentially have the most to gain from a favorable Doha conclusion and in many ways have the most to lose.

However, Least Developed Countries (LDCs) are considered the most vulnerable constituents of the WTO, and are extremely susceptible to outside economic pressures. These circumstances leave these countries at a fundamental disadvantage in the global market, most often because of their lack of proper infrastructure, relative geographical obscurity and heavily reliance on natural resource exports that often fluctuate on the international markets. According to the United Nations, Least Developed Countries represent the world's poorest and weakest members of the global community, comprising roughly 12% of the world's population but less than 2% of the world's GDP and accounting for only 1% of global trade in goods (*UN OHRILLS* 2015). Currently, 48 countries are listed as LDCs, 34 of which are WTO members, a majority of which are located in Sub-Saharan Africa, and eight are negotiating for ascendancy. LDCs are allowed special privileges in the form of duty free and quota free market access from other countries in accordance with the S&DT clause of the WTO, and their economic development is closely monitored by the UN (Escaith and Tamenu 2013). These countries lack the means to translate trade into meaningful developmental growth, and thus require technical and financial assistance (Newfarmer 2006; Nielson 2006). As seen in Figure 5, LDC trade shares constitute a minimal fraction of international trade and have fluctuated considerably over the last four decades, with export shares only recently beginning to increase following the New Millennium.

Figure 5: Trade Shares of LDCs:  
Exports of Goods and Services 1980-2010



Source: (WTO Trade Profiles 2015)

Information composed from IMF, World Bank and International Trade Statistics

LDCs are constantly under threat of marginalization on the international market, and have in many instances been heavily burdened and frustrated by the politics of Doha. This was especially true of developed countries' postponement tactics regarding an agreement on S&DT, which highly alienated African member countries (Scott and Wilkinson 2011). Another large roadblock occurred at the Cancun Ministerial Conference when the United States refused to give concessions on its cotton subsidies, which greatly impacted African LDCs (Cho 2009a). Things hardly improved in the subsequent meetings, and a large blow to development came in the 2009 Ministerial Conference where implementation issues were dropped altogether from the declaration (Scott and Wilkinson 2011).

## Chapter 5

### Summary and Conclusion

#### The Future of Trade and Development

Global trade is an unceasingly changing and increasingly complicated process of social and economic interactions that continues to provide important opportunities as well as new challenges for the countries that participate in it. The WTO and its precursor the GATT have made tremendous impacts on the evolution of global trade through their promotion of multilateralism, but the new geopolitical and economic realities of the 21<sup>st</sup> Century are adding new pressures both to its member countries as well as to the institution itself. Bilateral and regional trade agreements have become much more prevalent in recent years, and while they could potentially serve as an important alternative to multilateralism, the repercussions to the credibility of the WTO may prove more damaging long term, as countries may increasingly decide to no longer abide by the WTO's rulings or its dispute settlement system should the Doha Round continue to drag on without meaningful gains.

Ultimately, the question that has been raised is whether or not the Doha Round can be concluded. The answer to that question is that Doha can be concluded, however, when and what sort of impact a successful conclusion will bring to development and smaller developing countries is very much uncertain. Historically, poorer developing countries have fared worse than their developed counterparts, and despite attempts from the WTO to redress this imbalance, poorer developing countries have continued to face grave challenges to their economic wellbeing. The current economic landscape is not particularly encouraging for a full resolution (Cho, 2010). Repercussions from the 2008 Financial Crisis continue to be felt, particularly in the



Global North, with only minimal global economic growth being exhibited within the last five years. Trade distorting practices like agricultural subsidies are still being utilized by Global North countries, and as of now, no signs of a successful compromise between developed and developing countries are currently in sight. More damaging however, is the possibility that developmental goals will gradually be downplayed, diluted, or altogether delinked from its agenda, which could prove detrimental to less economically powerful developing countries.

In hindsight, the growth and regulation of global trade has been a highly polarizing narrative that is deeply rooted in international as well as domestic policymaking, socio-economic change and the ever increasingly complicated dimensions of globalization. Due in large part to its roots in capitalist economic philosophies, and its establishment by the world economic powers of the mid-20<sup>th</sup> Century, the GATT and its successor the WTO have been inherently designed to cater to larger economies, and its multilateral system, while effective in promoting integration, have proved to be inherently biased in favor of larger countries. With the advent of the Doha Development Agenda, the WTO has made efforts to rectify this imbalance, but has fallen far short of its aspired goals, and now stands at a crossroads regarding its future identity as a mediator and a promoter of trade and economic development, particularly when taking into account the rapidly changing economic landscape of the 21<sup>st</sup> Century.

As of now, Doha's future remains bleak. The current atmosphere of global trade can be described as one of uncertainty and fragmentation, an unfortunate and somewhat ironic outcome of the continued globalization of trade that was meant to promote interdependency and global cooperation. The evolution and expansion of trade and its increasing complexities have taken their toll on the WTO and their negotiation process, bringing into question the viability of the long enduring but increasingly scrutinized multilateral trade system that critics have stated

cannot adapt to the growing complexities of globalized trade and economic integration. As of yet, the WTO has failed to meet its intended goals, despite tremendous efforts throughout its negotiations. The most glaring failures at Cancun and Geneva, where irreconcilable differences and opposing government policies between member countries led to complete collapses in negotiations, left black marks on Doha negotiations as a whole. Yet, as the world economy continues to recover, the atmosphere may change and become more conducive to pertinent global trade talks, and the small breakthrough at Bali may yet be the sign of a long overdue resolution that the international trade community needs. Even so, as of now, the WTO and country members are fighting what continues to be an uphill battle at the upcoming 10<sup>th</sup> Ministerial Conference at Nairobi Kenya in December 2015, with another missed deadline on the remaining issues of the Doha Round missed on July 31<sup>st</sup>, 2015. Will another breakthrough like in Bali be what the international trade community needs to bring Doha back on track towards a satisfactory close, or will another missed opportunity lead back to a familiar pattern of continued delays and debilitating failures? Only time will tell, but what is absolutely certain is that a firm and satisfactory resolution to Doha will require tremendous effort from all participants. The principle ideals of the WTO were established to promote cooperation and compromise, but as of yet these ideals have not been realized, and ultimately it is the smallest countries who pay the greatest price.

## References

- Amorim, C. L. N. 2000. WTO from the Perspective of a Developing Country, The. *Fordham Int'l LJ* 24: 95.
- Bagwell, K., and R. W. Staiger. 2014. Can the Doha Round Be a Development Round? *Globalization in an Age of Crisis: Multilateral Economic Cooperation in the Twenty-First Century*: 91.
- Baldwin, R. E. 2006. Failure of the WTO Ministerial Conference at Cancun: Reasons and Remedies. *The World Economy* 29 (6): 677-696.
- Briefs, F. T. P. 2014. The Bali Package - Implications for Trade and Food Security, ed. Food and Agricultural Organization of the United Nations. Rome, Italy.
- Cancun Ministerial Statement. 2003. World Trade Organization.
- Chanda, R. 2002. *GATS and its Implications for Developing Countries: Key Issues and Concerns*.
- Cho, S. 2004. A Bridge Too Far: The Fall of the Fifth WTO Ministerial Conference in Cancun and the Future of Trade Constitution. *Journal of International Economic Law* 7: 219.
- . 2009a. Is the WTO Passe?: Exploring the Meaning of the Doha Debacle. *SSRN Working Paper Series*.
- . 2009b. A Long and Winding Road: The Doha Round Negotiation in the World Trade Organization. *ExpressO*.
- . 2010. The Demise of Development in the Doha Round Negotiations. *Texas International Law Journal* 31.
- Deardorff, A. V., and R. M. Stern. 2002. What You Should Know About Globalization and the World Trade Organization. *Review of International Economics* 10 (3): 404-423.
- DeKieffer, D. E. 1980. GATT Dispute Settlements: A New Beginning in International and US Trade Law. *Nw. J. Int'l L. & Bus.* 2: 317.
- Devarakonda, R. K. 2013. Asymmetries Mark WTO's Bali Accord. *Asia Times Online*.
- Doha Ministerial Declaration. 2001. World Trade Organization.

Doha Work Programme. 2004. World Trade Organization.

Dunkley, G. 2000. *The Free Trade Adventure: The WTO, the Uruguay Round and Globalism--a Critique*: Zed Books.

Dunning, J. H., and K. A. Hamdani. 1997. *The New Globalism and Developing Countries*. New York: United Nations University Press.

Escaith, H., and B. Tamenu. 2013. Least-developed Countries' Trade during the Super-Cycle and the Great Trade Collapse: Patterns and Stylized Facts: WTO Staff Working Paper.

Fergusson, I. F. 2008. World Trade Organization Negotiations: The Doha Development Agenda. Paper read at 7th WTO Ministerial Conference, 2008, at Geneva.

Finger, J. M. 2001. Implementing the Uruguay Round Agreements: Problems for Developing Countries. *The World Economy* 24 (9): 1097-1108.

Finger, J. M., and J. J. Nogues. 2001. The Unbalanced Uruguay Round Outcome: The New Areas in Future WTO negotiations.

Fiorentino, R. V., L. Verdeja, and C. Toqueboeuf. 2007. *The Changing Landscape of Regional Trade Agreements: 2006 update*: WTO Discussion Paper.

GAO. 2004. World Trade Organization Cancun Ministerial Fails to Move Global Trade Negotiations Forward; Next Steps Uncertain.

The General Agreement on Tariffs and Trade. 1947.

Grammling, S. 2009. The Seventh WTO Ministerial Conference: A “Housekeeping” Exercise Friedrich-Ebert-Stiftung Geneva Office.

Green, D. 2005. *What Happened in Hong Kong?: Initial Analysis of the WTO Ministerial, December 2005*: OXFAM.

Griller, S. 2008. *At the Crossroads: The World Trading System and the Doha Round*: Springer.

Hamilton, C., and J. Whalley. 1989. Coalitions in the Uruguay Round. *Weltwirtschaftliches Archiv* 125 (3): 547-56.

Henson, S., and R. Loader. 2001. Barriers to Agricultural Exports from Developing Countries: The Role of Sanitary and Phytosanitary Requirements. *World development* 29 (1): 85-102.

- Hossain, A., and S. P. Lasker. 2010. Intellectual Property Rights and Developing Countries. *Bangladesh Journal of Bioethics* 1 (3): 43-46.
- Hufbauer, G. C., J. J. Schott, and W. F. Wong. 2010. *Figuring out the Doha Round*: Peterson Institute.
- International Trade Statistics. 2014. Geneva: World Trade Organization.
- Irwin, D. A. 1995. The GATT in Historical Perspective. *The American economic review*: 323-328.
- Ismail, F. 2009. An Assessment of the WTO Doha Round July–December 2008 Collapse. *World Trade Review* 8 (04): 579-605.
- Karmakar, S. 2013. Life After Bali: Renewing the World Trade Negotiating Agenda: Bruegel Policy Contribution.
- Kellner, D. 2002. Theorizing Globalization. *Sociological theory* 20 (3): 285-305.
- Khan, A. H., and A. A. Kazmi. 1994. The Impact of the Uruguay Round on World Economy [with Comments]. *The Pakistan Development Review*: 1191-1203.
- Khor, M. 2000. *Globalization and the South: Some Critical Issues*.
- Khor, M., and J. A. Ocampo. 2010. The Unsettled Global Trade Architecture.
- Kleen, P. 2008. *So alike and yet so different: A Comparison of the Uruguay Round and the Doha Round*: European Centre for International Political Economy.
- Koopmann, G., and S. Wittig. 2014. Whither WTO -- The Multilateral Trading System After Bali. *Intereconomics* 49 (1): 2.
- Kumar, P. 2002. The Reality of Trade: The WTO and Developing Countries. *The North-South Institute*.
- Market Access for Developing Countries Exports. 2001. Washington DC: World Bank Group.
- McGuirk, A. 2002. The Doha Development Agenda. *Finance and Development* 39 (3): 4-7.
- Newfarmer, R. 2006. *Trade, Doha, and development: A Window into the Issues*: Washington, DC: World Bank.

- Nielson, J. 2006. Aid for Trade. *Trade, Doha, and Development*: 323.
- Ostry, S. 2002. The Uruguay Round North-South Grand Bargain: Implications for Future Negotiations. *The Political Economy of International Trade Law*: 285-300.
- Sandiford, W. 1994. GATT and the Uruguay Round. *East Caribbean Central Bank*.
- Scott, J., and R. Wilkinson. 2010. What Happened to Doha in Geneva? Re-engineering the WTO's Image While Missing Key Opportunities. *European Journal of Development Research* 22 (2): 141-153.
- . 2011. The Poverty of the Doha Round and the Least Developed Countries. *Third World Quarterly* 32 (4): 611-627.
- Seattle Briefing Notes. 1999. Paper read at Seattle Ministerial Conference, at Seattle Washington.
- Solanki, G. A. 2012. Globalization and Role of WTO in Promoting Free International Trade. *Journal of Humanities and Social Science* 3 (1): 11-14.
- Steger, D. P. 2009. *Redesigning the World Trade Organization for the Twenty-First Century*: Wilfrid Laurier Univ. Press.
- Summers, C. 2001. The Battle in Seattle: Free Trade, Labor Rights, and Societal Values. *University of Pennsylvania Journal of International Law* 22 (1):61.
- Trade By Region. 2001. ed. World Trade Organization.
- Tussie, D., and M. F. Lengyel. 2001. Developing Countries and the WTO: Participation Versus Influence. *LATN/FACSO, Argentina, February*.
- UN General Assembly Report. 2014. In *State of South-South Cooperation*. New York: United Nations General Assembly.
- UN OHRILLS. UN Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States. 2015 [cited] Available from <http://unohrlls.org/about-un-ohrlls/>.
- VanGrasstek, C. 2013. *The History and Future of the World Trade Organization*.
- What is the WTO? World Trade Organization, 2015 [cited August 5 2015]. Available from [https://www.wto.org/english/thewto\\_e/whatis\\_e/whatis\\_e.htm](https://www.wto.org/english/thewto_e/whatis_e/whatis_e.htm).

Wolfe, R. 2015. First Diagnose, Then Treat: What Ails the Doha Round? *World Trade Review* 14 (01):7-28.

World Development Indicators. 2014. The World Bank.

*World Trade Report*. 2014. WTO Secretariat.

WTO Trade Profiles. 2015.