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THIS IS A SPECIAL ISSUE ON THE DOHA MINISTERIAL CONFERENCE DURING WHICH DAILY UPDATES WERE FEATURED ON THE SOUTH CENTRE WEBSITE.

DOHA AGENDA: A STRUGGLE TO REFLECT THE NEW REALITY

EDITORIAL

Good news is hard to come by in these days of gloom and doom. In the controlled atmosphere of Doha, while war actually raged in not-too-distant Afghanistan, the worlds' Ministers of Trade were locked in another, week-long battle of wits - testing each others' patience, skill and endurance. The prospect of another failure after Seattle was unthinkable, particularly for the few industrialised countries that derive the maximum benefits from the current pattern of international trade. However, there was complete unanimity among all Ministers on that score - to make Doha a success. Not just to please Qatar as the host but to send the signal out to the world that the multilateral trading system was very much intact and forging ahead, not to be left behind by the burgeoning bilateral and regional trading arrangements.

The only problem was that 'success' itself was being projected differently by the North and South. The South had engaged in all seriousness post-Seattle to correct the imbalances of the previous Rounds reflected in the current trade rules and the way they have been implemented so far. These were reflected in a series of declarations issued by the Trade Ministers of the Least Developed Countries and the Group of the 77 developing countries consistently right up to Doha (see South Bulletin 23). What the developing countries, including the LDCs, were demanding in essence, was a 'systemic' correction to the world trading system to make it more relevant to their economies and their people who constitute over two-thirds of humanity - and not just a tinkering at the edges. It is in that context that their well-catalogued demands on implementation issues, agriculture and TRIPS must be seen.

In contrast, it appears more important for the industrialised countries to extend the canvas of international trade rules into even more new areas so as to expand without limits the playing field in the world markets for their business enterprises. In short, it is an attempt to give a legal basis or 'rights' if you please, so that they are not discriminated against as 'foreigners'. The driving force, it would appear, is to sustain the levels of prosperity that rich countries already enjoy. Of course, there is a 'trickle-down' effect when the rich prosper - the rest may be marginally pulled up through the benign operations of the 'market.' In addition to opening domains like investment and government procurement, rich countries are also championing the cause of environment and 'social dimension' of globalisation. With over two-thirds of the world's biodiversity still being nurtured in the developing South and the pathetic performance of most rich countries to their commitments on Official Development Assistance, one is easily tempted to side with developing countries' fears over labour and environment being roped into the WTO. Their own assets - the bounties of nature and the reservoir of human potential - can be used against them as trade barriers!

A Caesarean Delivery

In the shadow of the breaking news in Afghanistan, the Sheraton hotel in Doha literally became an 'operation theatre' - with a few square miles in the vicinity cordoned off to normal traffic and even inside the hotel, corridors surrounding

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DOHA SET THE STAGE FOR FUTURE NEGOTIATIONS - RICUPERO

*Shorn of its hype - extreme optimism or downright pessimism - the Doha Trade Ministerial package should be seen as something 'neutral' and setting the stage for negotiations, according to the **Secretary General of the United Nations Conference on Trade and Development (UNCTAD), Rubens Ricupero**. In an interview to the South Bulletin on 27 November, Mr. Ricupero, who read out Mr. Kofi Annan's message to the inaugural session at Doha, enumerates a number of positive elements of the Doha outcome. But he cautions that much will depend on how those negotiations go. Particularly important, he says, will be to see how the development perspectives identified will actually be incorporated in the future trade talks. Following are excerpts of the interview which helps to assess the Doha outcome in a clearer light.*

Someshwar Singh

SB: How would you assess what happened in Doha?

Mr. Ricupero: Even before Doha I never had many doubts of the direction the process was taking here because I believe that some important factors that are not directly trade related influenced very much the decision of most countries to have a successful outcome of the Doha meeting. I refer particularly to the changes in the political situation - the recent changes in the last two months heightened the tension that was brought to multilateral problems and more particularly, in the economic situation. The fact is that we were experiencing a recession in the US with a clear sign that the recession could become global. My impression is that the combination of those two factors - the change in the political situation and the change in economic prospects - were two important factors that explain, a little bit, the atmosphere in Doha.

Referring to the results themselves, my assessment is that of everything that was achieved in Doha, there are a few achievements that could be described as being of immediate positive importance and I would first describe, in that way, the declaration on TRIPS and public health. I believe that the declaration is a constructive contribution. It is perhaps, the first, objective step in rebalancing this debate on IPRs since the Uruguay Round, because

in the last ten years, most of what happened in this field was to strengthen the rights of patent holders. And now, we had an effort at re-balancing the picture a little bit, looking at other aspects, other implications of IPRs (Intellectual Property Rights). I think it was good that this was achieved in the framework of public health and the possibilities of serious problems in public health. And also, another positive aspect of this declaration is that it has confirmed that the TRIPS Agreement should be seen as providing the necessary flexibilities because we know that the pharmaceutical industry was trying to interpret the agreement in such a way that flexibility would no longer be there and many of their attempts even in the negotiation of the Declaration were aimed at making it more difficult to resort to compulsory licensing or parallel imports. I think it was good that the declaration came out to stress the flexibility that is there in the Agreement.

In my view, though this may not sound like a big thing, it is perhaps the most concrete results of this campaign of NGOs, of public demonstrations that have been seeking to rebalance the system of globalisation rules, etc. I can think of no other concrete evidence of a result like this one.

There were also other results that I think were important, more

from the point of view of certain groups of countries. For instance, I personally consider, that the waiver in the case of the ACP (Africa, Caribbean and the Pacific) countries, was positive for those countries. As a Group of 77 countries, they need some stability because next year they are going to have to negotiate, not only in the WTO, but also their partnership agreements with the European Union. So it is necessary that they should have some tranquility.

As regards the Declaration itself, I really believe that you should not exaggerate, either in terms of the achievements or in terms of the dangers and risks. The Declaration basically sets the stage for the negotiations, contrary to some interpreters. I do not think it could be compared to the Uruguay Round in terms of ambition or purpose. In reality, I do not see it as was the case in the Uruguay Round - with ground-breaking new issues like services and IPRs. Of course, one could speak about investment or competition but those issues were already there, at least in the working groups for some time. So, I do not think it could be compared to the Uruguay Round in terms of the scope and ambition.

On the contrary, what I am going to say - and I risk being challenged or perhaps I am alone in this perception - but I feel that comparing the rhetoric of the major

proponents of trade liberalisation now and in the Uruguay Round, now they are much more on the defensive. During the Uruguay Round, it was quite frequent to hear comments saying we now have to set a final date for the total liberalisation of world trade. There were many people who were thinking about choosing 2002 as that date. All trade would be completely free of any barrier.

What we have seen now in Doha is that most of the battles of the major trading partners were fought trying to resist liberalisation in agriculture, not to have more strict rules in anti-dumping or countervailing duties or trying not to mention by name tariff peaks. So, what I really see is that most of the issues that were raised by those countries were more in the nature of a defensive strategy which shows some changes (over time). My impression is that the inclusion of the reference to a phase out of agricultural subsidies, although it was qualified by the phrase "without prejudging the outcome of the negotiations", makes a reference to all kinds of export subsidies. I believe that is right because we have to deal with not only export refunds but other modalities where developed countries are gaining advantage in agricultural trade. But my conviction is that it was a positive thing - the inclusion of this reference to the phase out. In the same way, I also believe that the mentioning of tariff peaks and tariff escalations is positive. I also hope that the inclusion of anti-dumping will prove something positive.

In all those areas, however, much will depend on the way negotiations go. I hope that in this first year, the global economic slowdown will not have a negative influence in the willingness of countries to be more forthcoming in those areas, particularly the industrial countries because we know by experience in the recent

past that whenever there was a moment of economic slowdown and because of that, a short fall in commodity prices, there is a tendency for increased protectionism. The OECD report of last year, October 2000, stating that agriculture trade liberalisation had been very limited as a consequence of the Uruguay Round, stressed as the major cause for the increase in subsidies exactly this phenomenon - the protectionist pressures arising from the fall in commodity prices. I am afraid that this is something that, at least, will continue to happen in the next few months. But, I hope that as the economic recovery starts to pick up, hopefully, in the second half of next year, perhaps a more encouraging picture will emerge.

My own evaluation, summing up all those points, is that probably the economic situation had a great influence in the outcome of the Doha meeting, that there were some of the results that are of immediate value like the one on Intellectual Property and public health. Finally, that now we have some clear idea about the stage for negotiations but much will depend, basically, on the willingness of the industrial countries to really make true their commitments to open their markets in agriculture, in sensitive product areas, in tariff peaks and tariff escalations etc. In all those areas, I do not see the problems coming from the developing country side. I think the developing countries are all in favour of having better conditions of access. The problems may arise more from the resistance of some protectionist sectors in industrial countries.

SB: There is much confusion with terms like 'Development Agenda' and 'Development Round' being used to describe the final Doha package. Could you please clarify?

Mr. Ricupero: I never personally used the expression 'Development Round', not that I am not in favour of that but I did not want to create excessive, exaggerated expectations because I have always thought that you can only call a Round a 'Development Round' if at the outcome, you can really identify concrete achievements in favour of Development and I am not sure that this is the case. Knowing the multilateral trading system and from my own past as a negotiator, I know that Development is only one of many objectives of negotiators. For instance, it is no secret that for negotiators of industrial countries, what really counts is not the Development objective, it is to gain access to market and to improve their own trade relations because they have problems among themselves. Those are legitimate aspirations. I have always believed that Development could be a strong component but not the exclusive or the prevailing one. To be frank, I do not believe that Development will be the prevailing objective. I hope it will be among the important objectives, side by side with others, but not as the central issue - the issue that would really justify describing it as a Development Round.

One will have to see in assessing the development content, how the issues that embody more clearly the development perspective will be dealt with. For instance, the S&D treatment. This comes up several times in the Declaration but we have to see how it will really be dealt with. Whether, this time, it will be giving a meaningful and more binding content. Another aspect will be to see how the major industrial countries would deal with their unfinished business from previous Rounds in the area of export interest to developing countries and agriculture, tariff peaks, tariff escalations, sensitive products, textile and clothing. Not

only the dismantling of quotas but the reduction in tariffs barriers. So far, what we have seen is not conclusive. In Doha, we know that the discussion in textiles, in implementation was not conducive to results. In the same way, another area where we should be attentive would be whether the provision of technical assistance will be given a mandatory, binding character or will it be only a sort of best-effort clauses as is the case with the Declaration. The Declaration has not gone beyond this kind of aspiration.

You need to have a clear indication of good solutions to all those questions, and that includes also the accession of weak economies with a better system of negotiating accession. Those are the areas where you could say you would find the "conscience" of negotiations in terms of Development. To be frank, right now, the Declaration is very neutral on those grounds. It does not really give you any argument to say that this is going to happen. It may happen, it is like in the other areas, you have a stage set for negotiation, but whether it will happen or not we will have to wait and see.

SB: How would you describe the Doha package then?

Mr. Ricupero: It contains, in the work programme, many elements that could be important components of a Development content. As I said, if you solve in a positive way, the problems of market access of interest to developing countries. If you give binding and meaningful content to S&D treatment, to the provision of technical assistance, to the treatment of weak economies. If you take seriously the question of the relationship between trade, debt and finance or trade and technology transfer, then you would have the content. But, all this is now more in the form of potentiality.

Much will also depend on the capacity of developing countries to present good proposals in those areas and to present a united front in the negotiations of those issues. So, much will depend on the way the developing countries approach the negotiations. I would say that developing countries should be guided by this search for balanced results. In the next ministerial meeting, they should insist on having preliminary stock-taking of this kind and particularly when they approach the conclusion of the negotiations, they should only accept an outcome that will really do justice in all aspects. But as I said, who can say now what will happen. It is still too soon to describe the negotiations of this work programme as being a step in that direction. We have to see.

This is why in the case of the Declaration on TRIPS and public health, I think we can make a judgement. It was good, it was not spectacular but it is good. It is positive because it is a fact, it is an achievement as it has concluded. In the other cases, it is more the start of a process, so you cannot make predictions on this basis.

SB: Would it be correct to say that, in a sense, that Doha launched a 'deferred Round'?

Mr. Ricupero: No. First, I am not using the word Round. All negotiations are, not only in this case, of a political nature. They can only be judged on the basis of what you achieve in concrete terms. I do not like to pass judgement on negotiations before they have actually taken place or on the basis of a presumption because negotiations are by nature, only shaped by what takes place in the negotiating process. All negotiations are potentialities. What I believe is positive in this case, is that you had the inclusion of many areas that have always been of interest to developing countries.

For instance, for agricultural exporting countries, it is important to have a negotiated phase out of the agricultural subsidies. So, in this sense the judgement is positive, but this is not an outcome as the Europeans always stress. They just accepted to negotiate. It is an intent. Whether it will conduct to a result, remains to be seen. In this sense, all negotiations are of this kind, you can only say you are satisfied the day they conclude.

SB: With respect to the completing the negotiations by 1 January 2005, and the single undertaking, what is your reading of what is to be done then?

Mr. Ricupero: This is what I said. In the 5th Ministerial Conference, you would already need to have a sort of partial stock-taking and in reality, you would have to do it all along the negotiations to see how the developing issues are being addressed - as to whether they are going in the right direction or not. In this sense, developing countries have clear parameters. It is enough to look at what is happening in those areas.

SB: And the Singapore issues, do you think they have really been put off for two years, at least?

Mr. Ricupero: Yes, apparently this was the decision and this again is an area where developing countries should make good use of this time, because, perhaps you could say that there was a gain in gaining two years. But, to gain time, as I said in the past, only means something if you put to good use the time you gain. So, those two years should be utilised to formulate good proposals. For instance, if countries fear something in investment or competition, they should formulate proposals to address those fears - good legal rules that would prevent those fears from materialising.

LDC CONCERNS ONBOARD BUT IMPLEMENTATION REAL TEST

Thanks to the pro-active involvement of the Least Developed Countries, in particular the role of Tanzania as their representative, a number of their concerns and priorities have actually been accommodated in the Doha Ministerial Declaration. On 24 November, South Bulletin interviewed Ali Said Mchumo, Tanzania's Ambassador to the WTO, for his assessment of the Doha package. He feels it is no mean achievement to have got so many of the LDCs' concerns on to the WTO's radar screen. They are certainly not there in a manner that LDCs would have liked to see but after Seattle, according to Mchumo, a spirit of 'compromise' dominated the positions of every group - whether from North or South. Following are excerpts from the interview.

Someshwar Singh

SB: How do you assess the Doha package from the LDC perspective?

Amb. Mchumo: Overall, the result at Doha can be described as one of compromise. I cannot claim that LDCs have got all they wanted, or that developing countries as a whole got all they wanted. Nor can one say that developed countries have got all that they wanted. Our concerns as LDCs and developing countries as a whole, was for development to feature very prominently in the overall multilateral trading system.

If you read the Preamble, there is considerable reference to development. So, there is a dose of developmental concerns addressed within the Preamble as well as in the rest of the Declaration. Of course, they are not framed in the same language or to the extent that we would have liked, but certainly they figure much more prominently than in previous Ministerial Declarations since the WTO was started. With the amount of references made this time around, there is certainly more space given to developing country concerns in this Declaration than before.

So if it is a question of mentioning or referring to the question of development - if that is a measure of success - then there is greater success than on previous

occasions. But of course, the proof of the cake is in the eating. We are yet to see it in terms of concrete action. We were complaining right to the end, saying we did not have enough of it (our concerns), but this was the best we could get in terms of committing the international community to emphasising the centrality of development.

We, as LDCs, have been trying to identify the major problems that we are facing - of supply side constraints as being central; the question of market access; the implementation problem; and the question of accession. These were among the major areas where LDCs have been requesting special attention. Along with the supply side constraint, there was also the question of capacity building and technical co-operation.

In terms of response to supply side constraint, I think that in the Declaration, there is recognition of the decisions in the Brussels LDC III. There is also reference to the Integrated Framework. There is also reference to the Zanzibar Declaration. If it is a question of recognising our problems in terms of supply-side constraints and the need for technical co-operation, this has been mentioned. Of course, as stated earlier, not sufficiently perhaps and not in the language that we wanted. We wanted to improve the language for those

items. But at least there is a recognition of the need to respond to what LDCs lack on the supply-side and for which they need assistance.

SB: Could you signal out some specific gains?

Amb. Mchumo: In market access, we certainly wanted more than what we got. Our demand has been to get duty-free, quota-free market access, bound for all products. Even in Brussels LDC III we were not able to get the binding and the all-products reference. We tried to push again in Doha - that we should have bound market access for all products according to flexible rules of origin. We were not able to get that. But at least there was a commitment. The reason we wanted a binding commitment for all products is that in the current market access dispensation, commitments are autonomous - they are voluntary and can be withdrawn. What remains in the Declaration is that there will be a commitment to providing duty-free, quota-free market access for products originating from LDCs. Not much has improved, really, but I think there is an awareness that these market access opportunities must be given, not only by the US and the Europeans, but by all members. Of course, for developing countries, it is for those that are able to do so. So, there is no new improvement other than perhaps

expanding the membership (the number of countries) who were called upon to provide market access. But we could not get the (legally) binding commitments.

SB: So the final Declaration does not specify the developed countries in particular to expand market access to LDCs?

Amb. Mchumo: Unfortunately, it does not. It is a general call.

In terms of accession, we had wanted more clarity, more definitive commitment. In terms of Implementation, which is another area of interest to us, like all developing countries, some reference has been made to some of our proposals which we had wanted WTO to take on board in terms of the proposals that could be addressed by Doha. There are references here and there of what can be done in agreements like SPS and TBT. With reference to other developing countries' proposals, what has been decided are in those areas where there is not much change in the agreements except may be clarification and proper interpretation. But, for the rest of our proposals on the Implementation of the agreements will be in the mechanisms that will be created after Doha through the subsidiary bodies and other mechanisms. We are waiting for those mechanisms to be activated and to see whether our concerns will be addressed in the process.

SB: On balance, there is greater recognition and commitment but do they spell any immediate benefits? If not, are they just more promises?

Amb Mchumo: That is right. This is a compromise package and frankly, our negotiators were mindful of the fact that if they stuck to their original position, there was fear that perhaps there could be

another Seattle. We felt that it was not in our interest to have another Seattle because then, the WTO would be much weaker and become irrelevant. Our negotiators were careful to preserve the little that was available and push for more concessions in future. Of course, we are aware of the success we had in the TRIPS Agreement for public health. That is a definite plus for developing countries. There is also a plus in agriculture in terms of Europeans agreeing to reduce exports subsidies with a view to phasing out, which they were very adamantly clinging to but gave up in the end.

SB: But aren't there 'caveats' to wherever industrialised countries have conceded something?

Amb. Mchumo: That is true and one could also say that the way we have "yielded" to the new issues and environment was a clear indication of the need for compromise and flexibility that we thought we should give. Our hope is that the language there in the current Declaration would provide some safeguards for us in case the negotiations do not go in our favour. For example, this reference to the explicit consensus. Of course, it will be a decision on modalities but if we do not agree on modalities, then the whole substance will collapse. We can also interpret it differently, that we have made a pre-commitment to negotiate anyway. So, the consensus will only be on the modalities because the commitment is already there. But, I am sure one can link the two. If you say we shall negotiate come 2003 but then we have to agree on modalities. If we do not agree on modalities, then the whole process of negotiation will collapse.

SB: How would you characterise the developing country negotiating coalition at Doha

and what significance does it have for the future?

Amb. Mchumo: What happened in Doha is a very positive phenomenon. There was a very powerful alliance between the Africa Group, LDCs and ACP. All these groups had previous regional positions taken in Zanzibar, Abuja and Brussels respectively. They seemed to have influenced one another. So, we had more or less common proposals and demands, except for those of LDCs which were much more refined. This block provided a very powerful bastion for us to negotiate with strength against developed countries. I think our protagonists were aware of this and any attempt to divide or put a wedge between the three of us was not possible. This is a very important phenomenon and is something that now needs to be consolidated in the post-Doha process as we enter negotiations for the specific areas.

SB: What is the genesis of the Doha 'Development Agenda', even though it does not figure in the Ministerial text itself?

Amb. Mchumo: All I can say is that, we in the LDCs and through my minister, we have been quite active in promoting this Development Agenda business. We did it in all the major consultations that happened before Doha, especially starting in Mexico. In Singapore we were very forceful and my minister said, "We do not want a Round, we want a 'development agenda'." We defined what a Development Agenda is, as something which puts the concerns of developing countries and LDCs as a priority, without denying the possibility of negotiating on the issues of interest to the developed countries. But, there would be a sequencing and we emphasised this. In a sequence of time, we would first address issues of concern to LDCs and other

developing countries and later, address issues of concern to the developed countries. In a sense, we are almost there. Our issues have been very much put on the upper end of the list and except perhaps for environment, the issues of interest to the developed countries - such as negotiations on investment, competition policy, government procurement and trade

facilitation - will not be negotiated immediately. They are due for negotiations after the 5th Ministerial, after two years at least.

Of course, more important than the terminology adopted is the content that goes in. For example, it is more important to see how the S&D provisions are being operationalised. Similarly, with

respect to the new issues, our understanding of the 'sequencing' is that the priorities of the developing countries will take precedence over those of the developed countries. It is important to note that when we start work again (in Geneva), it is not on the new issues but in the ongoing areas of negotiations like agriculture and services.

THE MEANING OF DOHA

*Reading the results of the Doha Ministerial Conference will go on for some time as different telescopes and perspectives are used. The following article provides an NGO perspective. It is written jointly by **Walden Bello**, Director of the Bangkok-based NGO - **Focus on the Global South**, and **Anuradha Mittal**, Executive Director of the California-based NGO called **Food First**. Both of them were in Doha during the Ministerial Conference, making a first-hand assessment of what went on.*

The results of the WTO Ministerial in Doha, Qatar, have elicited some confusion among many of those following the events.

A New Round?

Something was launched at Doha, but to call it a "round" of trade negotiations might be stretching the concept of a round. A round means negotiations on a broad range of issues directed at trade liberalization. What was agreed at Doha were: a) negotiations to clarify or revise some existing agreements, e.g., anti-dumping rules; and b) eventual negotiations for new agreements, e.g., transparency in government procurement, investment, and competition policy.

Getting immediate negotiations going on investment, competition policy, government procurement and trade facilitation was at the top of the agenda of the trading powers in Doha. They fell short of this objective, being able to secure a commitment for negotiations on these issues only after the fifth ministerial in 2003, and only with a

"written consensus" from member countries.

Doha and the Developing Countries

What is clear is that, contrary to the claims of European Trade Commissioner Pascal Lamy, Doha did not launch a "development round." The key points of the Doha Declaration, in fact, contradict the interests of the developing countries. For example,

- There is only a perfunctory acknowledgement of the need to review implementation issues, which was the key agenda of the developing countries coming into Doha;
- The language on the phasing out of agricultural subsidies is watered down owing to the strong objections of the European Union;
- There is no commitment to an early phase-out of textile and garment quotas because of the strong resistance of the United States;

• The demand for a "development box" to promote food security and development which was being pushed by a number of developing countries was completely ignored;

• There is no commitment to change the wording of the TRIPS (Trade-related Intellectual Property Rights) agreement to accommodate developing countries' overriding of patents for public health purposes;

• There is no commitment to change the TRIPS agreement to outlaw biopiracy and patents on life, which was a key developing country concern coming into Doha;

• The declaration eliminates the reference in the draft to the International Labor Organization (ILO) being the appropriate forum for addressing labor and trade issues, which leaves the door open for the WTO to assert its jurisdiction in an area where it has no authority or competence.

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The resolution of the TRIPS and public health issue is being trumpeted as a victory for developing countries. This is exaggerated. While an attachment to the declaration does recognize that there is nothing in TRIPS that would prevent countries from taking measures to promote public health, there is no commitment to change the wording of the TRIPS agreement. This is a serious flaw since TRIPS as it is currently written can serve as the basis for future legal challenges to countries that override patents in the interest of public health.

A Defeat for Democracy and Development

In fact, Doha was a defeat for the developing countries, notwithstanding the resistance they—and in particular, India—put up against arm-twisting, blackmail, and

intimidation from the big trading powers. Those of us in Doha were witness, as the Equations team puts it, “to the highhanded unethical negotiating practices of the developed countries - linking aid budgets and trade preferences to the trade positions of developing countries and targeting individual developing country negotiators.”

Doha was a victory for the forces with a strong interest in subverting the interests of the developing countries that form the majority of the membership of the World Trade Organization by keeping the decision-making process non-transparent and undemocratic.

Why Doha will Backfire

This is why this victory may well be a Pyrrhic one for the big trading

powers. The combination of developing country resentments inflamed by the Doha process, a deep global recession brought about by the indiscriminate locking together of economies by accelerated trade and financial liberalization, and reinvigorated civil society resistance to corporate driven globalization, cannot but erode the credibility and legitimacy of the institutional pillars of free trade like the WTO.

And without credibility and legitimacy, institutions, no matter how seemingly solid they may seem, eventually unravel.

At the conclusion of the Fourth Ministerial, Director General Mike Moore thanked the delegates for “saving the WTO.” The end result may well be, instead, the accelerated decline of the WTO.

DOHA SPELLS DISASTER FOR DEVELOPMENT

*Despite the rosy picture painted about the success of the Doha outcome, there are many who doubt that the World Trade Organization would actually deliver on commitments to foster Development for the sake of two-thirds of the world's population, for whom decent survival is a daily quest. For those teeming billions, it is not a question of sustaining prosperity. In the following article, **Caroline Lucas, a Green member of the European Parliament** representing South East England, argues that the present cut-throat competitive system being promoted by WTO rules actually destroy peoples' livelihoods and the environment. She makes the case for an 'alternative' to the WTO ways of doing business. This article, which may have appeared elsewhere, is reproduced by the permission of the author, who wrote it just after the WTO Doha meeting ended on 14 November.*

To hear the EU, the British Government and the WTO congratulating themselves on getting a new WTO Trade Round started, and even calling it - with breathtaking hypocrisy - a “Development Round”, you could be forgiven for thinking this must have been some kind of victory for the poor. In reality, nothing could be further from the truth. Doha spells disaster for poor people.

As a member of the European Parliament's official delegation, I travelled to the World Trade talks in Doha last week. It was a quiet event

- the very opposite of the blanket coverage of its previous 1999 debacle, the “Battle of Seattle.” Skulking in a small state, allowing hardly any protesters and being knocked off the news agenda by the war, it must have seemed like the good old days to the trade officials - meeting away from demonstrations and massive press interest to further open up markets to the benefit of corporations and at the price of ever rising global inequality.

But the absence of mass protests in Doha does not signal

any let up in the campaign against corporate globalisation. To the contrary, major public demonstrations took place in towns and cities around the world in the run-up to the meeting, and over 100 NGOs from both North and South - those lucky enough to get one of the very limited number of visas on offer - were present and active in Doha.

Michael Jacobs in his article last week warned that anti-globalisation cannot help the developing world. That depends on how you define globalisation.

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Those of us whose campaign is against economic globalisation - the ever tighter integration of national economies into one giant global economy - are convinced that resistance can and will help the developing world. Indeed Southern activists have been in the vanguard of such activities. Last week, for example, hundreds of thousands of Indian farmers joined a demonstration in Delhi specifically to protest about current WTO rules.

They know that if they are forced to open their agricultural markets to the rich North - according to the principles of free trade that Jacobs so applauds - their livelihoods will be devastated.

Developing country delegates at the WTO Ministerial also knew about the havoc open markets can wreak. Rather than agreeing to immediate negotiations on further industrial tariff reductions, for example, as demanded by the EU and US, they called for a prior study to be undertaken on the effects of such tariff reductions on local industries and jobs. Their request was ignored, and as a result, they face further decimation of their economies. In Senegal, for example, previous commitments to open their markets by cutting industrial tariffs by almost half has led to the loss of one third of all manufacturing jobs. The same story is repeated throughout the poorer countries.

Indeed, more than 80 countries now have per capita incomes lower than they were a decade or more ago, and as the United Nations Development Programme points out, it is often those countries which are highly "integrated" into the global economy that are becoming more marginal. Even the IMF admits that "in recent decades, nearly one fifth of the population has regressed - arguably one of the greatest economic failures of the twentieth century."

Michael Jacobs challenges critics of the WTO to come up with a new system of Trade and Investment rules designed to prioritise poverty reduction. The Green Party, whose supporters he later lambasts as "simplistic anti-capitalists", has done precisely that.

In a report, *Time to Replace Globalisation*, launched to coincide with Doha last week, we detail a set of alternative trade rules which are designed to replace the WTO's programme of ever more open markets in ever more ruthless competition with each other, with a post-globalisation alternative in order to achieve genuine sustainability. These rules would strengthen democratic control of trade, stimulating industries and services that benefit local communities, and rediversifying local and national economies.

According to this new model, over time there would be a gradual transition away from dependence on international export markets (with every country trying to compete with each other, leading to a downward spiral of social and environmental standards) towards the provision of as many goods and services as feasible and appropriate locally and nationally.

Developing countries would be given significant support to help them with this transition.

For example, the WTO's current rules require that imported and locally produced goods be treated equally. Thus, under WTO rules, it is unlawful for governments to favour, or otherwise promote, domestic products above imported goods. Under our alternative rules, domestic products would be given priority where their production increases local employment with decent wages. Over time, quantitative controls on exports or imports through tariffs, quotas or bans would be permitted to this end.

Today's rules also prohibit discrimination between products because of concerns about the damaging or unethical processes that have been used to produce or harvest them. Under the rules of relocalisation, members would be permitted and encouraged to make distinctions between products on this basis in order to further the aims of sustainable development.

Perhaps most vital for developing countries are the rules governing agriculture. According to WTO rules, adequate protective barriers to foster domestic farming and subsidies to support poorer farmers are not generally allowed. Under our alternative rules, protective barriers could be introduced to enable countries to reach maximum self-sufficiency in food, where feasible.

Such policies have been branded as 'protectionist' - but we would be willing to accept such a label, if it is understood that what we want to protect are efficient national policies of cost internalization, health and safety standards, and a reasonable minimum standard of living for citizens, both North and South.

Historically, these benefits have come from national policies, not from global economic integration. Protecting these hard-won social gains from blind standards-lowering competition in the global market is what we are interested in - not, as some would caricature it, the protection of some inefficient entrepreneur who wants to grow mangoes in Manchester.

A growing movement, North and South, has the courage to suggest that more than one economic system is possible. We have shown that alternatives do exist, and trade rules can be rewritten to support them. In the interests of wider equity and security, it is vital that they are.

A DEVELOPMENT AGENDA WITHOUT DEVELOPMENT

*It is a shameless public relations 'spin' for the rich nations to describe the outcome of Doha as a Development Agenda, says **Barry Coates, Director of the UK-based World Development Movement (WDM)**. As one of the NGOs present at Doha during the Ministerial Conference, the WDM provided a helpful analysis of the Doha outcome. In the following article written for the South Bulletin, Barry Coates assesses the final Ministerial Declaration from a more systemic perspective - of the need to correct the imbalances in the world trading regime. He also provides a paragraph by paragraph analysis of the Ministerial Declaration. Since 1970, WDM has been campaigning for changes to the policies of governments in the rich nations, international institutions and multinational companies so that they are fairer to the developing countries, particularly to the poor.*

Doha was to have been the time when the rich nations started honouring their promises to make trade rules fairer to the poor. After all the promises to redress the inequities of past agreements, resolve implementation difficulties and counter injustice in the wake of the events of 11th September, little was delivered.

It is true that there are opportunities for developing countries to improve their access to markets in the developed countries through new negotiations, but the inclusion of get-out clauses and loopholes suggests that the outcome will be more broken promises. Doha only served to highlight the hypocrisy of the rich nations in saying that free trade is good for all and then failing to apply it to their own markets. It is a shameless public relations 'spin' for the rich nations to describe the outcome of Doha as a Development Agenda.

The most encouraging sign from Doha was the determination by developing countries to participate fully in negotiations. Their positions were sound and well coordinated, both in the preparatory process and in Doha itself. Yet the abuses of the process meant developing countries faced huge odds. The basis of negotiations was a text that had not been agreed, containing most of the proposals from the EU and US, but few from the developing countries; informal group facilitators were appointed

through an untransparent process; there were no clear agendas, minutes or agreed procedures; and the final night of negotiations put developing countries under huge pressure in another of the much criticised 'green rooms'.

As if the abuse of process was not sufficient, there were reports, both in the preparatory process and at Doha, of unacceptable tactics, such as the linking of aid budgets and trade preferences to the negotiations. WDM and other NGOs prepared a code of conduct for developed countries to sign, pledging that they would not use such tactics. No government signed it.

There can be no more urgent WTO reform than to agree clear rules for negotiations, both at Ministerial meetings and in negotiations in Geneva, to ensure that developing countries have the capacity and access to participate fully in negotiations. The WTO must make the transition from a system based on power to a system based on rules.

Analysis of the Ministerial Declaration

Preamble: (Paras 1-11)

The Preamble provides uncritical praise for trade liberalisation, without acknowledging the deep problems that the Uruguay Round has caused for the poorest countries. According to UNDP, eighty devel-

oping countries suffered a net reduction in income over the past decade. The problems of rapid trade liberalisation, particularly in the poorer developing countries have been well documented, including de-industrialisation, adverse effects on farmers through dumping of agricultural surpluses, and a collapse in commodity prices. Studies have also shown the huge costs of implementing Uruguay Round agreements, such as TRIPs, TRIMs and SPS, and the constraints they have placed on policies to achieve development aims. The absence of any recognition of these problems undermines the credibility of the WTO and exposes the degree to which its advocacy of trade liberalisation as an end in itself is based on ideology, rather than evidence.

The Preamble includes a statement reaffirming the rights of governments to regulate supply of services, presumably in response to many of the concerns over the impact of GATS on the powers of governments to prioritise aims such as the delivery of affordable services for the poor. However, the Preamble has no legal status, and such an assurance is overridden by specific provisions under the General Agreement on Trade in Services (GATS).

Implementation Issues: (Para 12)

Developing countries tabled 104 issues in the run-up to Seattle which were to have been dealt with as a

matter of priority. These were problems arising either from commitments that have not been implemented by the rich countries, or problems with implementation by developing countries. The separate Declaration on Implementation includes some further consideration of these issues and encouragement for the developed countries to be sympathetic, but includes only minor adjustments on the way these agreements are implemented. In particular, the commitment to allow quota-free and duty-free access to exports from the Least Developed Countries remains as an aspiration. Such a step would be important for the poorest nations, and have little impact on the rich nations - LDCs have 10 per cent of the world's population, but account for only 0.4 per cent of world trade.

Aside from the ongoing negotiations on agriculture, there will be negotiations on fisheries and anti-dumping laws (as part of 'WTO Rules'), but these are riddled with caveats and get-out clauses for the developed countries. There will also be a report prepared on the remaining implementation issues for discussion at the end of 2002, for possible action thereafter. A problem is that developing countries will be asked to pay twice in terms of their inclusion in negotiations. There should be no reciprocity applied to the issues that redress the imbalances of the imbalances of the past, such as the waivers granted to the rich nations since the 1950s on agriculture and textiles. The lack of concrete actions to resolve these problems that have been identified as a matter of the highest priority for developing countries makes a mockery of the concept of a "Development Agenda".

Agriculture: (Para 13-14)

The agriculture negotiations started in January 2000 and are ongoing.

The main point of contention in Doha was whether the EU would agree to the aim of "reductions of, with a view to phasing out, all forms of export subsidies." At the last hour, they did agree, but added a caveat to say that this aim is "without prejudging the outcome of negotiations". This severely undermines any commitment to open up EU agricultural markets to exports from the developing world. Agreement to end export subsidies and the dumping of agricultural products on the markets of the developing countries should have been regarded as an outcome of the current agricultural negotiations, rather than a concession for which the EU has extracted a high price.

The EU has argued strongly that a broad agenda is needed to provide trade-offs for concessions on agriculture. Their aspirations extend beyond the agreed negotiations to include new non-trade issues, such as the Singapore issues. If there are not sufficient trade-offs from the agreed negotiations that cover almost all world trade in goods and services, the conclusion should be drawn that the EU's agricultural policy is untenable.

Services: (Para 15)

The text does not include the proposals from ten developing countries for an assessment to precede any negotiations (as specified in the GATS agreement) and sets dates for making proposals on liberalisation. Requests for countries to open up their services sectors will be submitted by 30 June 2002 and initial offers of countries to liberalise by 31 March 2003. Negotiations on services, as with the other agreements, will be completed by 1 January 2005. This is a very compressed timetable, meaning that developing countries would not be able to undertake the required research and consultation before having to offer up service

sectors for liberalisation. The commitments that they make would effectively be irreversible under the disciplines of Article XXI.

Negotiations on market access for non-agricultural products: (Para 16)

The agreement commits to new negotiations on all products, without exclusions. It includes issues of importance to developing countries such as tariff peaks and tariff escalation, and "less than full reciprocity in reduction commitments" for developing and Least Developed Countries. But the question is whether there should be any reciprocity at all, given that some of the highest protection is used by the rich nations to block exports from the developing world. The World Bank has calculated that the rich nations maintain tariffs on imports from developing countries that are four times higher than tariffs on imports from other rich nations. An example is textiles and clothing – even after phase out of the MFA in 2005, tariffs will still average 11% in the developed countries, compared to an average world-wide tariff of around 3% on manufactured goods. Addressing such problems suggests that fair negotiations would include little if any reciprocity by developing countries.

The text also fails to include the repeated call from the LDCs for assessment of their experience of tariff reductions under the Uruguay Round before making any new commitments. This is extremely important in the context of the importance of diversification away from dependence on commodity exports and the loss of manufacturing industry in many of the poorest countries after tariff reductions.

TRIPs: (Para 17-19)

The Declaration on TRIPs and Public Health confirms the existing agreement in saying that the TRIPs

agreement “does not and should not prevent Members from taking measures to protect public health”. The Declaration was only required because of the aggressive attacks by the US on the rights of countries to prioritise affordable treatment for health emergencies such as HIV/AIDS. Developing countries were forced to waste a huge amount of time clarifying that the existing agreement allows them to do so. Although the US government and its pharmaceutical companies will be dissuaded from using threats in the near future, it is of concern that the declaration is not legally binding. There was little attention to other problems with the TRIPs agreement, including African nations’ proposals to strengthen traditional rights over natural resources and traditional knowledge against biopiracy (such as multinationals patenting the active ingredients of plants used by indigenous peoples), and to prohibit the patenting of life forms.

Investment and Competition Policy: (Para 20-25)

A Working Group was originally established at the Singapore Ministerial on the condition that negotiations would start only on the basis of an explicit consensus amongst WTO members. The majority of developing countries have consistently opposed negotiations on these issues, pointing out that they are mainly in the interests of multinationals from the rich world. A consensus clearly does not exist and these issues should never have been in the agenda that came to Doha.

The Ministerial Declaration includes agreement to start pre-negotiations on the Singapore issues, but specifies that a decision on full negotiations must be taken on the basis of explicit consensus at the next Ministerial conference (in two years’ time). After a strong stand by India, this was modified by the Chair’s clarification that a decision

would need to be taken, by explicit consensus, before negotiations could proceed. There are obviously different legal interpretations of this statement, and its standing with regard to the Declaration, but it is clear that there was no consensus at Doha on starting negotiations until a decision has been taken at the Fifth Ministerial. The EU should accept that there will be no pre-negotiations over the forthcoming two years.

The Working Group will continue its discussion, facing a major challenge. Not only are developing countries faced with the start of the nine negotiations agreed in Doha, but they also need to engage with Working Groups on the highly complex Singapore issues. By way of comparison, after seven years of negotiations on the proposed Multilateral Agreement on Investment it was clear that the OECD countries had failed to understand the complexities of an investment agreement. It is scarcely conceivable that developing countries will be in a position to participate fully in negotiations in two years time, especially since they need to undertake the research, training, staff development and consultation that is vital for them to be able to negotiate according to their development interests. The EU immediately revealed where its real priorities lie. In its analysis of Doha on 14 November, posted on its website even before the final Declaration was agreed, the EU undertook to press for the inclusion of investor protection.

Discussions in the Working Group on Competition Policy have so far provided little agreement on the basis for any negotiations. The EU’s internal documents reveal the importance of any agreement in using National Treatment to open up access to developing country markets for foreign companies, and to preclude support for the creation of strong domestic companies.

Transparency in Government Procurement and Trade Facilitation: (Para 26-27)

As with other Singapore issues, a number of developing countries consider that negotiations on government procurement have little to do with trade and are not included in the mandate that established the WTO in 1995. The negotiations will be limited to transparency in government procurement, an apparently innocuous step, but the EU’s website reveals that these negotiations are “a necessary first step that would facilitate further implementation of other instruments on government procurement such as any development of procurement rules under the GATS or the GPA (Government Procurement Agreement) itself.”

WTO Rules: (Para 28-29)

There is an apparent commitment to negotiate on the issues that are important to many countries, including abuse of anti-dumping rules by the rich countries. However, the Declaration includes a caveat in that there will be negotiations “while preserving the basic concepts, principles and effectiveness of these Agreements and their instruments and objectives”. This get-out clause is likely to provide a means for the US and others to block proposals that would reduce protectionist abuse of anti-dumping rules.

Environment: (Para 31-33)

The Declaration includes negotiations on Multilateral Environmental Agreements (MEAs) that could be to the advantage of developing countries, particularly in forcing action on climate change amongst the major polluting nations, and in allowing countries to restrict trade in genetically modified seeds. However, the text includes the statement “the negotiations shall not prejudice the WTO rights of any Member that is not a party to the

MEA in question". That gives the US a let-out clause on agreements they have not signed, such as the Kyoto Protocol on Climate Change and the Biosafety Protocol. It also provides an incentive for countries to 'free ride' by not signing up to MEAs, thereby benefiting from international action without being bound by its trade-related provisions.

There will be negotiations on fisheries subsidies that have caused huge problems for small fisheries in developing countries. However, again there are caveats. The negotiations will only "aim to clarify and improve WTO disciplines on fisheries subsidies" without a clear commitment to stop the adverse effects of their use. An example is the export of the EU's unsustainable fishing practices to deplete the fisheries of West Africa and other regions.

In sub-section (iii), there is a potentially dangerous new commitment to "the reduction or, as appropriate, elimination of tariff and non-tariff barriers to environmental goods and services." Not only would this include environmentally damaging services such as hazardous

waste processing (opening up the prospect of dumping waste in developing countries), but would include services such as water. This could circumvent GATS negotiations and provide the developed countries with accelerated commitments to open up the supply of water, waste collection and disposal, and other services, often provided by the public sector, in all countries. This would be to the advantage of, for example, the French companies that dominate the water supply industry, but could limit the powers of governments to regulate in the public interest.

The Work Programme: (Para 45-52)

This agenda of trade negotiations is proposed to be completed within 3 years. This is an impossibly short period, given the huge agenda and the experience of the last Round of trade negotiations (the Uruguay Round) that took 8 years. Developing countries have repeatedly said that they cannot undertake a massive new work programme, especially given economic crisis in many of the poorest countries. The promises of funds for capacity building come in the context of falling aid

budgets and a string of broken promises in the past. Money will only be diverted from other uses, such as health care and education. Building capacity to undertake negotiations requires many years, requiring hiring of staff, training and gaining the necessary expertise. The huge agenda and lack of capacity means commitments would be made without the necessary research, assessment and public consultation.

There are further pressures introduced by the creation of a new committee to oversee the negotiations and the grouping together of all the issues into a single package. As seen in Doha, it is extremely difficult for developing countries to reject a package of measures and put at risk the multilateral trade system that could protect them from targeting by the major trading powers. Negotiations over the next two years, until the Fifth Ministerial will be crucial in determining whether the rich nations will continue with their hypocrisy or whether they will assume their responsibilities in creating the basis for a fairer trading system and a global economy that benefits the many, rather than the few.

AGRICULTURE TEXT POOR ON CORE DEVELOPMENT CONCERNS

*At the 4th Ministerial meeting of the World Trade Organization, talks on agriculture were often cited as one of the critical deal-breakers for the Ministerial Declaration. For months in Geneva and even through the tortuous parleys in Doha, developing countries have presented a number of common platforms - relating to dismantling of trade-distorting barriers in the North and their own food security concerns, among others. Yet, the final outcome relating to agriculture in the ten-page Ministerial Declaration that outlines the work agenda for the negotiators, there is little to reflect the core development concerns that had been pressed for relentlessly by the developing world. In the following article, **Shishir Priyadarshi** of the South Centre, presents his analysis from a developing country perspective.*

It may be recalled that the mandated negotiations in Agriculture had started early last year and some progress, at least as far as an elaboration of country proposals is concerned, had been achieved even before Doha.

Consequently, even though there were clear differences amongst Members on the thrust of the negotiations, agriculture was not generally regarded to be as problematic an issue for the Doha Ministerial Declaration as it had

been at Seattle. Nevertheless, as the work in the initial phases of the agriculture negotiations in Geneva had shown, agriculture remains one of the most critical and sensitive areas for developing countries, primarily because of its large

contribution to GDP; the large percentage of population directly dependant on this sector; and its significant contribution to the export earnings. As a number of negotiators from developing countries had professed, no issue other than agriculture, has the capacity to influence the income levels and livelihood concerns of such a large percentage of their populations, and consequently the importance and sensitivity of this sector for them.

Developing countries had accordingly approached the drafting of the text on Agriculture in the Ministerial Declaration with the following main objectives:

- A strong signal from the Ministers that the existing trade distorting practices in global agriculture trade must be eliminated, or reduced substantially, within the shortest time possible.
- Strengthening the Special and Differential Treatment provisions by providing adequate flexibilities for enhancing domestic production and protecting the livelihood of small farmers, including through the provisions of a 'Development Box' that would allow developing countries to address their specific concerns and constraints.
- Recognition of the non trade concerns of developing countries and the need to adequately address them, particularly concerns relating to food security, rural development and poverty alleviation.
- Expression of concern by the Ministers on the lack of implementation of the Marrakech decision and suggesting the way forward including through a strength-

ening of the provisions for food aid and technical and financial assistance.

Analysed in the context of these four broad objectives (broad because many developing countries had other specific individual concerns as well) the result of the Doha ministerial meeting can hardly be termed satisfactory, at least from a developing country perspective.

Distortions in global agriculture trade, by providing unfettered domestic support and large amounts of export subsidies have been a major cause of concern for developing countries, particularly those striving to carve out their own niche in the world market. For this reason, most developing countries were seeking the expression of a specific time-bound intent in the ministerial text of a reduction in domestic support and an elimination of export subsidies by the developed countries. Even though the draft of 27 October did contain a reference to the reduction, 'with the view to phasing out' of export subsidies, unfortunately, because of the inflexible stand taken by the European Commission, perhaps at the behest of France, this professed intention to phase out export subsidies, was somewhat diluted in Doha, with the introduction of the phrase that such a reduction would be 'without prejudging the outcome of the negotiations'.

Thus, while on the one hand the text does attempt to go beyond what is contained in Article 20 (of the Agreement on Agriculture), on the other hand this attempt has been negated with the qualification that this would be done "without prejudging the outcome of the negotiations." In plain language, what this means is that export subsidies are unlikely to be phased out, at least in the foreseeable future.

Clearly, therefore, the small and marginal exporters from developing countries will have to wait a long time before they are able to export in a fair and competitive environment. Even more significantly, developing countries would continue to find it difficult to get a fair price for their exports mainly because trade-distorting support, the end of which is still not in sight, would continue to depress world prices.

In GATT (General Agreement on Tariffs and Trade), even though Special and Differential Treatment provisions were introduced with the specific intent of addressing some of the constraints that developing countries face, yet these very provisions, including in the Agreement on Agriculture, have remained weak and ineffectual.

It was for this reason that developing countries were seeking a strong commitment in the Doha Ministerial text for the strengthening and enhancing of the S&D provisions in agriculture. In fact, a number of developing countries had made a specific proposal for the creation of a 'Development Box' under which they could be provided the requisite flexibility to support domestic production and to protect the livelihood of their farmers, with the specific intent of improving their food security concerns.

Accordingly, a number of developing countries had strongly pushed for the inclusion of a reference to the development box in the ministerial text, something which was missing in the 27 October draft. According to the feedback provided by more than one delegate, during the agriculture discussions that the facilitator (Friend of the Chair) had organised at Doha, a very large number of countries had supported the inclusion of the Development Box in the text.

(continued on next page)

More importantly, none of the developed countries had specifically opposed its inclusion during these deliberations. Yet, the final Ministerial text did not include a reference to the Development Box, an omission which only serves to drive home the point that there is a huge gap between the professed rhetoric and the actual delivery of benefits even on issues of critical importance to developing countries.

It is also a telling comment on the mindset of the proponents of the so-called Development Round, that they used their clout, presumably both inside and outside the formal channels of discussion at Doha, to keep out the inclusion of the reference to the Development Box. If such is the fate of perhaps one of the most development-oriented proposals put forth by developing countries in a sector as sensitive to them as agriculture, then one can only imagine the extent to which developing countries are likely to benefit from a new round of negotiations, which are still so hypocritically being termed a 'Development Round'.

Perhaps the only area where developing countries managed to obtain a semblance of relief, purely at the conceptual level, was with regard to their non-trade concerns of food security and rural

development. A specific reference to these issues, specially in the context of the S&D provisions, means that there is an implicit recognition of not only the importance of these non-trade concerns, but more importantly, a recognition of the difference between the non-trade concerns of developed and developing countries.

At least now some of the developed countries will not be able to use developing country concerns to push their own trade-distorting 'non-trade agenda'. The reference to some of the developing country non-trade concerns as part of the overall reference to the special and differential provisions ensures this differentiation. However it is too early to start counting the possible gains. Developing countries will have to really push hard and remain cohesive if they are to ensure that the reference to these non-trade concerns is converted into specific negotiating flexibilities for them.

Finally, and perhaps most surprisingly, the Ministerial Declaration contains no reference to the problems of the Net Food Importing Developing Countries (NFIDCs). It is as if their concerns were not significant enough to be mentioned. This omission appears all the more conspicuous when

viewed in light of the fact that the NFIDCs had, in the preparatory process, highlighted the lack of implementation of the Marrakech Decision and had made a specific proposal for better addressing their problems relating to food-aid and technical and financial assistance. One explanation could be that this issue was being considered as part of the implementation exercise. Nevertheless, given the significance of the issue, it was important for a reference to the problems of the NFIDCs to have still been included in the declaration.

As stated earlier, the Agriculture negotiations started early in 2000. The first phase of submitting country proposals ended in March 2001 and Members are now well into the second phase involving the technical elaboration of their proposals. The declaration now mandates for the 'modalities' of the negotiations to be established no later than 31 March 2003 and for draft schedules based on these modalities to be submitted no later than the next ministerial. Clearly the difficult negotiating phase is to only start now, a phase when the implications of the Doha ministerial declaration will become even more critical and significant for developing countries.

DOHA: A CASE OF BAD PROCESS AND GOOD PR?

*Process concerns were uppermost in the minds of many, besides the negotiators themselves, who were witness to the week-long tortuous multi-level haggling to bridge differences. Deep differences that had persisted over months in Geneva had to be somehow dissolved in a matter of few nights. So speed and efficiency to get a result appeared to override concerns of open, participatory and democratic processes. In the following article, **Sabrina Varma**, Consultant at the South Centre, captures the dilemma that unfolded between process and substance at Doha. She works on WTO institutional reforms issues. During the meeting in Doha, South Centre released its latest study "WTO Decision-Making and Developing Countries."*

The process behind the WTO Fourth Ministerial Conference, which took place in Doha, Qatar between 9-14 November, is being hailed as triumph in transparency by the WTO Secretariat and the

major, and it has been claimed that the 'stain of Seattle' has been removed.

It is true that Doha was a far cry from Seattle in many ways.

However, this is not because the process of ministerial conferences has been reviewed and reformed to ensure participation, transparency and full inclusion. Nor is it because what happened in Seattle

did not happen in Doha in terms of the exclusion of the wider membership. From the process perspective, the differences were more subtle.

The manner in which the process was handled in Seattle was blatant, mainly due to the particular style of the Chairperson of the Conference, which worked to alienate and anger many. Based on past practice, the majors had hoped they could steam-roll their interests through and that ultimately developing countries would have to come on board in one way or another. Obviously this did not happen.

In fact in Doha, as in Seattle, the smaller countries were still not included by and large in the process of decision-making, and the processes leading up to adoption of the Ministerial Declaration on 14 November, referred to as a 'Development Agenda', was characterised by non-transparency and confusion. This time, the key difference was a slick management style.

It is clear that lessons had been learnt from the experience of Seattle and the ground work was laid in Geneva to bring in this new era of management during the preparatory process for Doha. The WTO DG, as did the envoys of US and EU, made visits to various developing countries, actively promoting an expanded work programme. In fact, much effort was put into reaching out to the capitals, often over and above the Geneva missions. In Geneva, wearing the hat of 'transparency' and 'inclusiveness' as the top priority, there was a flurry of consultations in the form of 'open-ended informal meetings' undertaken by the WTO DG and the Chairman of the WTO General Council. According to the Secretariat, some 100 such meetings took place since February this year, not including the series of

bilateral meetings and other meetings such as various green rooms on a range of issues, where draft texts for the ministerial declaration were first shared with a limited number of Members.

The open-ended informal meetings were open to any country who expressed an interest but invitations were extended to those who were vocal on a particular issue or who the Secretariat or Chair thought may have an interest. There was no set procedure of announcement for such meetings and they could be called at any time. There were no written records of these meetings although briefings on the discussions were given at informal sessions of the General Council from the perspective of the DG and Chairman of the General Council who took a 'sense' of the meetings. These meetings were held simultaneously and in addition to the normal WTO work programme of meetings and so proved to be especially taxing for many small missions in Geneva.

In addition to the activities in Geneva, there were the 'mini-ministerial' meetings with a select group of countries (usually 17-21) in France in July, Mexico in August-September and in Singapore in October 'to build consensus'. No one could say who hosted or organised the meetings or on what basis the participants were invited, though it is heard in some quarters that the invitations were issued by the "Friends of the WTO." The WTO Secretariat was present at all meetings. After the Singapore meeting, US Trade Representative Robert Zoellick when expressing his satisfaction with the 'outcome' was quoted in the press as saying 'We have different procedures this time'.

The 31 July 'Reality Check' in an informal session of the General Council showed that there was still a large gap on agreeing to a wider

negotiating agenda and that addressing implementation issues was of the main priority for many developing countries.

Therefore, the first instalment of the draft ministerial declaration on 26 September surprised many as it did not have the common practise of text in brackets to highlight areas of contention, and therefore did not accurately reflect the diverse range of positions on the various issues, which would have been apparent in the consultation process. The following text on 27 October, again with no brackets, failed to take on board the concerns which were expressed in writing and vocally by many developing countries, including the Africa Group (41 countries), LDCs (30 countries), India, Pakistan, some Caribbean countries and various others. Yet, the 'clean' text which presented only one set of views or recommendations was transmitted to Ministers as the basis for consideration in Doha, albeit with a covering letter which also failed to outline the various areas of disagreement or provide alternative formulations. The transmission of a text which does not reflect the views of the wider membership, together with the role of DG and Chair of the General Council in doing so, all with no consensus from the General Council, goes against WTO decision-making rules of procedure.

Instead of attempting to rectify the problems which had arisen during the Geneva preparatory process, the machinery kept on moving. On arrival in Doha, delegates were confronted with a process which had been pre-determined without consultation or authority from the wider membership. The WTO Committee of the Whole (COW) had yet to have its first meeting, yet some bigger delegations were informally informed of the six subjects to be discussed (Singapore issues, implementation, agriculture,

environment, rules and TRIPs), along with their 'facilitators' who were from Canada, Switzerland, Singapore, Chile, South Africa and Mexico. These facilitators or 'Friends of the Chair' were supposed to undertake consultations in separate groups and report back to the COW on their progress towards reaching consensus. Some facilitators also adopted an 'open house' approach whereby delegations could 'walk in and convey their position'. At the first meeting of the COW, various developing countries had raised their objections to the basis of the pre-determined process and the composition of the facilitators as there were no LDCs. A few days later, Botswana was made facilitator of all other remaining issues in the draft declaration.

Many were unable to articulate how the facilitator process actually worked in practice. The process had left especially the smaller countries feeling generally confused, not assured that their concerns were being adequately taken on board and with little sense of what developments were really taking place.

In the mean time, a vast number of bilateral meetings also took place throughout the conference and NGOs reported on the array of tactics being used by the majors in getting developing countries on board, including isolating certain bigger 'recalcitrant' developing countries, offering technical assistance or market access enticements to others, or threatening withdrawal of such sweeteners and/or undermining jobs of 'trouble makers'. The media also played a key role (which began in Geneva) throughout the process by contributing to a political climate of awkward pressure, especially post-September 11, and by portraying one developing country as opposing the broadening of the work programme.

The proliferation of the number of meetings which took place also highlighted the stark contrast between delegations in terms of numbers, which largely determined the extent to which countries could attend and follow meetings and make necessary and regular assessments. The EU delegation size numbered 502, US had 50 (reduced due to security issues after September 11), Canada 62 and Japan 168. Looking at particular delegations of LDCs and developing countries, Mali had 3, Sierra Leone 2, Sri Lanka 4 and Jamaica 4. Besides all the meetings around the ministerial declaration, there were also the formal plenary sessions, intensive meetings around the Ministerial Statement on TRIPs and Public Health and the ACP waivers, both in which developing countries expended considerable time and effort.

On the morning of the last official day of the conference, 13 November, a draft of the ministerial declaration was presented, this time with brackets in certain areas, including anti-dumping, environment, export subsidies and the deadline for new negotiations. There was clear language on taking a decision at the Fifth Ministerial on whether to have negotiations on two of the Singapore issues (investment and competition), whilst consensus was assumed in holding negotiations on the two remaining Singapore issues. At a Heads of Delegation meeting that late afternoon, countries including India, Zimbabwe, Jamaica, Barbados, Zambia, Belize, Kenya, Grenada, Uganda, Cuba and Guyana made statements which clearly indicated that there was still no consensus.

Green rooms played a large role in the preparatory process in Geneva, and in traditional WTO style, such mechanisms were brought out in the final hours in Doha on 13 November when the

pressure for achieving consensus was at its extreme. In a post-Doha debrief to European NGOs, European Commission officials admitted that there was no consensus up until the final hour and the EU used its 'power and influence' to get one. As many had started making their way home, the conference was extended as ministers from around 20 or so countries were called into the Sheraton's Presidential Suite 11 for a 9-hour or so meeting where new text was introduced (replacing that of 13 November) by the Secretariat on a number of key issues requiring immediate consent, which culminated in the final Ministerial Declaration - referred to as a 'Development Agenda'.

After Seattle, many have been closely following the WTO and its efforts to address the democratic deficit. However, with a process which was so flawed in Geneva as the starting base, there was little hope for an improvement in the context of a pressure cooker such as a Ministerial Conference. The experience of Doha also shows us that process is inextricably linked to substance. Now with Doha as the starting point for the negotiations which are to begin in a number of areas, the problems have not gone away. If anything, another set of problems are likely to arise around the process for the negotiations. This time, developing countries need to nip this in the bud and focus concerted efforts into addressing the situation if they are to have any control over the outcome.

The processes in Geneva and Doha were only symptomatic of a deeper problem with the way decisions are made in the WTO and until this is rectified, the WTO's work programme will remain a lopsided agenda.

CHINA ENTERS THE WTO

*The entry of China into the World Trade Organization was certainly a major reason to celebrate as the 4th WTO Ministerial Conference kicked off in Doha. It marked the end of a long journey of sometimes tortuous negotiations for accession. Following are excerpts from the statement by **Minister Shi Guangsheng, Head of the Chinese Delegation**, to the Conference on 10 November 2001.*

After 15 years of difficult negotiations, we finally came to this historical moment. Hereby on behalf of the Chinese government, I would like to appreciate the WTO Ministerial Conference for its adoption of the Decision on China's Accession to the WTO. And I would like to take this opportunity to thank all WTO Members and Mr. Girard, Chairman of the Working Party on China, for your support for China's accession over the years. My gratitude also goes to Mr. Mike Moore, Director-General of the WTO, to the former Director-Generals of GATT and the WTO, Mr. Dunkel, Mr. Sutherland and Mr. Ruggiero who have given their support and assistance in the past 15 years.

The WTO accession and its full participation in the multilateral trading system are strategic decisions made by the Chinese leaders under accelerated economic globalization. China has made longstanding and unremitting efforts for resuming its GATT Contracting Party status and for acceding to the WTO, which fully demonstrates the resolve and confidence of China to deepen its reform and to open further to the outside world. The WTO accession is not only in the interests of China, but also in the interests of all WTO Members and conducive to the development of the multilateral trading system. It will inevitably exert widespread and far-reaching impact on China's economy and on the world economy in the new century. After its accession, China

will, on the basis of the balance between rights and obligations, abide by the WTO rules and honor its commitments while enjoying its rights. China will, as always, value and strengthen equal and mutually beneficial economic and trade relations with countries and regions in the world, and play an active and constructive role in the multilateral trading system and make its positive contribution to the progress of world economy and trade together with other WTO Members.

China first participated in the Uruguay Round Negotiations in September 1986 and witnessed the historical transformation of the multilateral trading system from GATT to the WTO. Meanwhile, China's negotiations for the accession to the multilateral trading system over the past 15 years have been an integral part of the process of its reform and opening up from the beginning to the end. We have drawn the following three basic conclusions from our own experiences:

First, only by participating in the multilateral trading system with a positive stance, can various countries in the world better share the benefits of economic globalization;

Second, during the course of economic globalization, only by establishing an economic and trade regime in line with international practices and the specific situation of the country, can they avoid their disadvantages and fully play out

advantages, and therefore effectively safeguard their respective economic security while opening to the outside world; and

Third, only by constantly adapting itself to the development and changes of world economy and by fully reflecting the interests and requirements of all parties including developing countries, can the multilateral trading system maintain its vigor and vitality.

The road from Seattle to Doha is by no means an easy path, which has generated profound thoughts and enlightenment. The Seattle Conference two years ago failed to launch the new round of multilateral trade negotiations. We believe that in face of the rapid development of economic globalization of today, we should follow the development of the situation and to jointly formulate relevant rules through consultations on an equal footing among Members and to carry out effective co-ordination and management over the everwidened and complicated international economic and trade activities.

Therefore, we need to face up to the obvious defects of the existing multilateral trading system so as to reflect the interests and demands of developing countries in a more adequate fashion. We need to invite all Members to formulate the international trade rules of the new century through equal participation and consultation, so as to enable more developing countries to share the opportunities and interests brought about by the economic

globalization and to avoid the further widening of the gap between rich and poor and protect some countries against being marginalized.

China supports the launch of a new round of multilateral trade negotiations on the basis of full consideration of the interests and reasonable requirements of developing countries. China believes that a new round should be conducive, first, to the establishment of a fair, just and reasonable international economic new order; second, to the development of world economy as well as trade and investment facilitation; and third, to the achievement of a balance of

interests between developed countries and developing countries.

We believe that to achieve the above goals, we need to ensure that in the new round,

Full consideration be given to the development level of relevant industries of developing countries and special treatment be rendered to the extent and speed of their opening;

Pragmatic and effective measures be adopted to guarantee the implementation of the Uruguay Round agreements;

All-round and effective participation of developing

members be guaranteed and both the identification of topics and the negotiations be based on consultation on an equal footing; and

A balanced and package approach be taken to ensure that the results of the negotiations reflect an overall balance of the interests of various parties.

The new century is full of opportunities and challenges. Let us work together to meet these challenges, and to consolidate and strengthen the multilateral trading system and to make continued contributions to the stability and development of world economy and trade.

A DIVIDED CONSENSUS

Despite the objections of many developing country delegations to the Draft Ministerial Declaration, the so-called Harbinson text was forwarded to Doha as the basis for Ministers to build on. Along with that was a forwarding letter, co-signed by the WTO DG and General Council Chairman, Stuart Harbinson. Even this letter, as requested by many developing countries, failed to reflect the "deep divisions" on many issues. The following excerpts of the statement made by India's Minister of Commerce and Industry, Mr. Murasoli Maran to the Conference plenary, captures the essence of those divisions. They provide a good snapshot of key developing country concerns - on process and substance - as they stood before the final deal was struck at Doha.

I am constrained to point out that the draft Ministerial Declaration is neither fair nor just to the view points of many developing countries including my own on certain key issues. It is negation of all that was said by a significant number of developing countries and least-developing countries. We cannot escape the conclusion that it accommodates some view points while ignoring "others". The forwarding letter most surprisingly and shockingly also does not dwell on the substantive differences and focuses more on what are individual assessments. Even after these were reiterated in the strongest possible terms in the General Council on 31 October and 1 November, we recognize that there is a refusal to reflect these points in

a substantive manner even in the forwarding letter. The only conclusion that could be drawn is that the developing countries have little say in the agenda setting of the WTO. It appears that the whole process was a mere formality and we are being coerced against our will. Is it not then meaningless for the draft declaration to claim that the needs and interests of the developing countries have been placed at the heart of the Work Programme?

After the setback at Seattle, all of us want Doha to be a success. Success, however, does not necessarily require over-reaching objectives or launch of a "comprehensive" round. Also the global unity achieved in the wake

of the most unfortunate and tragic event of September 11 should not be undermined by proposing an agenda, which would split the WTO membership. Rather than charting a divisive course in unknown waters, let this Conference provide a strong impetus to the on-going negotiations on agriculture and services, and the various mandated reviews that by themselves form a substantial work programme and have explicit consensus.

We cannot be held hostage to unreasonable demands that concessions be made for carrying forward what are already mandated negotiations. Nor can one accept the argument that there is a mandate only for commencing certain negotiations and not for

completing them. Progressive reform in agriculture now requires elimination of the large-scale domestic support and other trade distorting subsidies and the removal of all unfair barriers facing farm exports of developing countries. At the same time, considering the critical dependence on agriculture by large rural populations in developing countries, we need to adequately provide for their food and livelihood security and for promoting rural development. Similarly, in services, facilitating the movement of professionals, must receive priority attention.

WTO has to recognize the existing development deficit in various WTO agreements and take necessary remedial action. WTO has also to recognize that development strategy has to be related to country specific situations. The "one size fits all approach" has clearly failed to deliver.

The asymmetries and imbalances in the Uruguay Round agreements, non-realization of anticipated benefits and non-operational and non-binding nature of special and differential provisions have been the basis for implementational issues and concerns raised by a large number of developing countries right from 1998. Expectations rose when the May 2000 decision was adopted by the General Council to find meaningful solutions at the latest by the Fourth Ministerial. The draft decision on implementation related issues and concerns before us have addressed some issues but left many more unresolved. Even among those addressed, the manner of resolution has left many gaps. We must make sincere efforts at this Conference to resolve the outstanding issues or give clear directions on how to deal with them. Notwithstanding our disappointment, we have already indicated in

Geneva that we are prepared to join a consensus in favour of adopting the decision proposed as a package. It would be appropriate to take this item first in the Business Session and adopt the decision.

In relation to market access, even after all the Uruguay Round concessions have been implemented by industrialized countries, significant trade barriers in the form of tariff peaks and tariff escalation continue to affect many developing country exports. These will clearly need to be squarely addressed. Meanwhile, sensitive industries in developing countries including small scale industries sustaining a large labour force cannot be allowed to be destroyed.

New issues or new agreements will obviously extract new prices and developing countries are hardly prepared for the same. This becomes particularly relevant now since negotiations for agreements on several new areas are being proposed even while the study process is on. In the areas of Investment, Competition, Trade Facilitation or Transparency in Government Procurement, basic questions remain even on the need for a multilateral agreement. Most importantly, do the developing countries have the capacity to deal with them? Will we be able to say that they do not impinge strongly on domestic policies that are well removed from trade? Are the basic trade principles like non-discrimination or market access appropriate for dealing with issues like Investment and Competition? Would the Marrakesh remit for WTO which talks only of multilateral trade relations permit these other issues to be covered? We are very doubtful if we can give affirmative replies to all these questions. It is our considered view that we need to carefully study them further before rushing to decisions. In any case, the Singapore Declaration

requires an explicit consensus for any decision to move to negotiations. Let us therefore wait till an explicit consensus emerges on these issues.

We firmly oppose any linkage between trade and labour standards. The Singapore Declaration had once and for all dealt with this issue and there is no need to refer to it again. Similarly, on environment we are strongly opposed to the use of environmental measures for protectionist purposes and to imposition of unilateral trade restrictive measures. We are convinced that the existing WTO rules are adequate to deal with all legitimate environmental concerns. We should firmly resist negotiations in this area which are not desirable, now or later. We consider them as Trojan horses of protectionism.

The Uruguay Round Agreement on TRIPS has invited strong reactions from developing country stakeholders. It is important that negotiations are held for extending geographical indications to products other than wines and spirits which are important to many countries. There should also be no misappropriation of the biological and genetic resources and traditional knowledge of the developing countries.

Availability and affordability of essential medicines is a universal human right. WTO should not deny that right. This Conference must send out a clear message to the world that nothing in the TRIPS Agreement shall prevent governments from taking measures to protect public health. Accordingly, the TRIPS Agreement must be interpreted and implemented in a manner supportive of WTO Members' rights to protect public health and ensure access to medicines for all.

(continued on next page)

In conclusion, we are of the view that the issues which are not yet ripe must remain with the working groups for further study. India, including many other developing countries, are not ready to accept a new set of onerous commitments. The road map already charted by the Uruguay Round Agreements should be the future work programme and this crucial Ministerial Conference should provide negotiating mandate for resolving outstanding implementation issues and clear guidance on mandated negotiations and reviews. WTO is for multilateral

trading system only. It should not encompass the responsibility for rule making of non-trade-related subjects. Globalization and liberalization have to be addressed at various fora and not in WTO alone. WTO is not a global government and should not attempt to appropriate to itself what legitimately falls in the domain of national governments and Parliaments. WTO's core competence is in international trade and we would strongly urge that it stays that way. Then only we can save and strengthen the multilateral trading system.

Mr Chairman, I am confident that you in your capacity as the Chairman of this Ministerial Conference is fully aware of the expectation, aspirations and concerns of developing countries on all the issues. I am absolutely sure that your experience, wisdom and commitment will enable all of us to find collective solutions to difficult issues in such a way that the final declaration really keeps the needs and interests of developing countries as the central theme of all future WTO activities.

MOORE IS 'CHAMPION' OF THE DEVELOPING COUNTRIES

Late in the evening of 14th November, 2001, just after the conclusion of the 4th WTO Ministerial Conference, Qatar's Minister Youssef Kamal, Chairman of the Ministerial Conference, together with the WTO Director General, Mr. Mike Moore spoke to the media. As in the final conference plenary which adopted the Ministerial Declaration, where so many delegations had left the scene already, this closing press conference was attended by just a handful of journalists. Mr. Moore first described the Doha package as forming a "Development Agenda" and then refers to it as the "Doha Round." He also calls himself a 'champion' of the developing world. Following are excerpts from Mr. Mike Moore's introductory remarks and answers to questions at the closing press briefing. They help better appreciate what happened in Doha and what is to follow.

'Development Agenda'

We now have ourselves the 'Development Agenda'. I believe that in that agenda there is something for everyone. It is a beginning, not an end. Of course, no document is perfect. There are people on either side of the issues who feel that perhaps they did not get enough here or enough there. But that is the nature of negotiations. We have learned a lesson in WTO. We have reformed the WTO. We have reformed our processes. And Stuart Harbinson is here, he is our Council Chairperson. The process he put together, our team put together, over the last couple of years, has led to this Conference. And this would be the first Ministerial Conference of trade ministers anywhere where every

minister...no Minister was turned down from speaking. We had 20 to 30 listed on every subject, we lost half an hour at one place and made up at another. And then Chairman Minister Kamal had some very good ideas - of not making the plenary session compulsory - so we could save four hours there.

Getting to the substance of what we are talking about, who would have thought, a year ago, that the North and South could have had an agreement on issues of TRIPS, public health and access to medicines? Who would have thought a year ago or 20 years ago, or even a week ago, that there could be an agreement that looks at the issues of agriculture. The entry of China and Chinese Taipei and the (ACP) waiver (were also achieved). I was so impressed by

the commitment of ministers to make this thing work because they knew what was at stake. In this session, I talked about building a world that was unified and not divided, based on common values, common ambitions, common rules and the WTO is only a small organisation run by governments. I think we can make ourselves more relevant, serve our owners - the governments - better, therefore their people better because we are now going to engage in serious negotiations on issues of substance from which they can derive opportunities for ordinary families everywhere.

For me it was a good conference but now we start the real work. We get back to Geneva, we have to look at our capacity-building programmes. I have got to maintain

the pressure on Ministers, that we need to deliver (to) a lot of people across the line...in the last couple of days they did it out of faith and out of trust and out of hope and some out of desperation. So I know what my duty is for the next year. That is to get this thing going.

Q: Is this the beginning or end of getting over the scars of Seattle?

A: I think we made a beginning. Seattle failed for all sorts of reasons, but the most important reason - it failed because of democratic choice. Governments are allowed to disagree. It is appropriate that governments are unhappy and don't think something should be done. It is their right to disagree. For those who claimed credit, claimed it because there were protests or because of process - those things may not have helped. But Governments are entitled not to agree. Bluntly, developing country concerns were not being listened to enough.

Now I have dear friends who claim 'there is nothing in this paper for me.' We worked so hard for these 100 tirets (of Implementation issues). We did not have one tiret of Implementation agreed before Seattle. We walk out of here with half of them agreed to, another half into a negotiations. Now some will argue that is the wrong half. But this is the beginning of a process.

There is also an educational thing. The solidarity being shown by developing countries over the last couple of years because they know how important it is to them, is something the world has to wake up to. Geneva will not be the same. Developing countries are going to act in solidarity. They are going to hold Ministers accountable to their commitments on capacity, their commitment to be more even-handed and I am going to continue to be their champion. I am also

going to continue to remind people that just because a country is big and great, that does not make it automatically wrong, that the big economies need things and all of us suffer when the world economy slows down, and it is slowing down. Jobs are being sheared and I think the ministers were thinking that when things were getting desperate and difficult, a message of failure here would be catastrophic. Because of the leadership of Minister Kamal, because of the solidarity shown, we are able to start something and I know that we are under pressure by the media and everyone, and so we should be, to hold us accountable for the kind of things that have been promised in this room. We have to prove ourselves again and again.

Q: How has Doha affected the reputation of the WTO? Is there something for everyone?

A: I think the meeting has helped the reputation of the WTO. Any mature organisation ought to be able to look at itself and refashion, modernise itself and put itself at the centre of its owners' concerns. We ought to be more humble and submit ourselves to the southern governments. We are public servants and as public servants, we must do what we are instructed to by governments. Governments have given us a firm mandate to get out there and start doing the job. If I have a look at the negotiations across the board, trying to redress some of the past injustices, looking at the future and testing in some areas of good governance, I think this is a very good and important agenda.

As far as our host is concerned, history will talk about the Doha Round because the Doha Round will do some of the things that the Uruguay Round did not do. It will be more balanced because the developing countries are more organised.

In terms of the distribution of the 'cake', I think there is something in it for everyone. But this is about 'mixing the cake for the future' - this is about the gift of opportunity, about setting up negotiations - and I have been giving out these figures for years, about the cost of subsidies in OECD countries, it is billions of dollars. If we could do something here as it represents more than three times the developed world spends on ODA. If we could do something there, it would be more than eight times the debt relief so far granted. These are substantial things we can go for. No body expects to get it over night, or in five or ten years. But if we can get some work soon, we can help a lot of people.

Q: Minister, the statement you made before drafts were adopted about 'explicit consensus' - was this a personal statement or is it legally binding?

A: (Minister Kamal) As I said in the meeting - 'according to my understanding' - this is not my personal statement. This is coming from the WTO because I was reading on behalf of them (the Ministers). A few minutes ago, I was the chairman of that meeting.

Q: By having this comprehensive agenda, is there a danger that you are going to paralyse the WTO in terms of its institutional capacity?

A: I have an obligation and I have a piece of paper (here) that goes to our Finance Committee of our Council to look at our resourcing. I published a little booklet on the 'Development Agenda' and what we should be doing better. It is not just our capacity to cope, it is our owner's capacity to cope. When I am with governments and smaller countries, I say, for instance, we ought to do something on trade facilitation but we just don't have the capacity to do it. We understand

the good governance issues. So it is not just capacity in the WTO, it is capacity in our members and governments. It is not a matter of being unwilling to face certain issues. It is how you face them and whether you have the capacity. At the end of the Conference, I said many have taken a step out of faith, out of trust and out of hope and at WTO, the member governments had better supply some assistance. If they want the 5th Ministerial to be as successful as this one, we are going to have to get moving quickly. And we can only move as fast as the slowest ship in the convoy if we are to stay together. So, I am going to be unbearable with the governments over the next few months as we look at the capacity issues as we start to deliver on these promises. And also we need to look at our own structure.

We have another agenda. We have been given a new set of instructions by our owners. I must now go back to Geneva and say given these new set of instructions and mandates, how can I best deploy the resources we have got in our house, looking at other peoples' resources, aiming at the objectives our shareholders just told us to do. I am quite good at that. I did a lot of restructuring in the old days. I think I can see the ways in which we can do a better job. We have decided that to do a decent job, we have to plan to make the 5th Ministerial a success, I think it is my duty and intent to carry it out.

Q: What will the agreements reached here actually mean for the future of world trade?

A: I think already it will have worked because it is a restatement of the commitment to multilateral rules. There is a lot of misunderstandings about the WTO. We are simply about setting up a system of rules, of binding disputes (settlement).

We believe in a unified multilateral system - that signal is a very important one to give the world economy at the moment. China joining us is no small thing. Think of the implications of that. My duty is to report to my Council on how we handle these new challenges. We cannot change the objectives of an organisation without looking at management of that organisation. And I will do this.

Q: How exactly do you describe the Doha outcome - 'Development Agenda' or 'Development Round' and where could you identify those developmental elements?

A: I think the Development dimensions are right through. Agriculture has a development dimension. Developing countries have fought for 50 years to get a negotiation started, that can be meaningful. I personally believe that the capacity side has a development dimension. I think that trade facilitation and good governance issues are also development dimensions. The Implementation package - we have got something now and we are going to negotiate the rest. I think the paper is riddled with development.

Can I just make a simple proposition to you, that economic growth in itself is development. We all need more consumers. I don't know a country that has had too much investment. I don't know a country that has got poorer by trading. I think we ought to reassert those common values as well.

Q: Are you not setting yourself up against a monumentally difficult 5th Ministerial meeting by postponing decisions until 2003?

A: (Stuart Harbinson) - You are right, there are a number of subjects that have a sort of delayed start.

But on the other hand, there is a reasonable list of subjects which cut in pretty quickly. Of course, agriculture and services will now be negotiated in a much more serious way. Industrial tariffs, anti-dumping, subsidies, fisheries subsidies, geographical indications perhaps...so I think it is a fairly respectable list. It may prove to be no bad thing that the start is somewhat staggered.

A: (Mr. Moore) - I will repeat what I said earlier. There is some sense that many people who want to negotiate these difficult areas just do not have anyone capable to do it and everyone is learning. So this is a good thing. So on the one hand, I get a question whether we have overloaded ourselves and can we handle it and then, that we are not doing enough. It is good management sense to bite off what you can.

Q: How come the Declaration on TRIPS has been embraced by the very organisations that vilified you in the past?

A: Part of it has been an educational journey both sides. I think the TRIPS Agreement is balanced and is based on the obvious contradiction on wanting to give to the areas of human need and suffering and ensuring there is a decent pay back for those investors and somehow, giving out the products as quickly as you can to the children. It is a good thing.

I would argue that in so many areas we are a good global governance organisation. Good global governance means binding rules, clarity, certainty - for business people, for investors, for workers. So I believe we are a good global governance organisation. Where else can people go? I know we are not a perfect organisation and I keep saying we got to negotiate under our leaky and imperfect umbrella. At least, our umbrella

covers the smaller. Where else in the world and in what other organisation will the littlest guy be able to lever off the bigger guy in opportunity? Sometimes it gets out of balance but that is why in the end - you heard those speeches from Africa - they know that we represent the best opportunities in the markets.

Q: Will Doha help in reducing the differences between the rich and developing and Least Developed Countries?

A: What the LDCs have got is a set of negotiations. Their objective is always to get quota-free and duty free access to markets of the North.

Now we have, in the last 18 months, negotiated market access unilaterally. The Europeans showed leadership with 'everything but arms', the Americans have shown leadership with the African and the Caribbean Initiative. So every time we do something like this, we get a contradiction somewhere else. Some Caribbeans think this is terrible because you take from the poor and give it to the poorer. That is why we need a wider negotiation. They are in there in the negotiations. If you believe that some of these are over emphasised like the capacity issue, because some people have got quite a lot of capacity to fight their end, and they

are fighting and are unified. So you have now got a solid developing country caucus. I do not know if this has happened before - Africa decided to unify their political leadership in this Conference at the OAU, ACP and LDC level. You may not believe it, but with the ACP, the Africa Group and the Least Developed group, I have had more joint meetings with those ambassadors over the last six months than I have had with the Ambassadors from the Quad. Have we done enough? We can never do enough. Can we provide a gift of opportunity? Yes, and those good governance issues of the future ought not to be ignored.

A STRUGGLE TO REFLECT THE NEW REALITY
(CONTINUED FROM PAGE 1)

meeting rooms were made progressively inaccessible. What caused the most amount of flutter was when the United States delegation moved around - flanked by friendly security provided by Qatari officials and the US marines and ringed on the outside by a battery of jostling TV cameramen. You could also tell when the Italian Minister of Trade was around by the presence of two immaculately dressed, almost Hollywood-style, security guards in plainclothes with dark sun-glasses and ear gear.

What's in a name?

As the dust settles on the Doha Ministerial Conference of the WTO, reading its outcome has become an exercise in interpretation. At times, it gets to the point where there are varying interpretations of an interpretation! That seems to be the case with the "clarification" issued by the Chairman of the Doha

Conference in the final hours of the extended day (14th November) with respect to the controversial new issues. Supposed to be read with the Ministerial Declaration, this 'clarification' appears to produce what is called in diplomatic parlance "constructive ambiguity." A situation where both sides claim victory until time sheds more light on that twilight zone and reality manifests itself.

The very first confusion that still persists is the nomenclature used to describe the Doha outcome package. While the Ministerial Declaration itself talks about a "broad and balanced Work Programme", soon after it was adopted, Ministers and the WTO secretariat began referring to the outcome in different ways. The WTO DG calls it the Doha 'Development Agenda' but then slips easily to call it a Development Round, an expression seriously contested in other articles in this issue of the South Bulletin.

Looming Battles

There is clearly a deferment of many battles to come - Singapore issues, environment, textiles, anti-dumping and agriculture. For now, it looks like business as usual.

In international trade relations, Doha was certainly a turning point. Developing countries have emerged as a credible force to reckon with. In the run-up to Doha and at Doha itself, various groupings of the developing countries not only co-ordinated their positions but also voiced their demands together. The entry of China, a major player, and the imminent accession of Russia, along with many others waiting in the wings will change the WTO. But it is high time that the tide of systemic injustice be turned to ameliorate the lot of billions of people left on the fringes of this globalising world. Otherwise, the legitimacy of the WTO will continue to be questioned.



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