

Dynamics of the Doha Development Round

Anurag Kakkar

Research Scholar, Centre for Economic Studies & Planning, School of Social Sciences, Jawaharlal Nehru University, New Mehrauli Road, Munirka, New Delhi-110067, India

ARTICLE DETAILS

Article History

Published Online: 17 August 2020

Keywords

Trade negotiations, Doha development agenda, agriculture, WTO, developing countries.

*Corresponding Author

Email: [anurag94_ssa\[at\]jnu.ac.in](mailto:anurag94_ssa[at]jnu.ac.in)

ABSTRACT

The fourth ministerial conference of WTO organized in Doha (2001) led to the beginning of the latest development round aimed at proposing major trade negotiations towards the progress of developing and least developed countries. This paper gives an overview of the idea of the Doha Development Round, the negotiations that underwent, achievements, failures and the effect of such outcomes for the worldwide economy.

1. Introduction

The world trade organisation (WTO) organised its fourth ministerial conference (Doha, Nov 2001)(see [2],[9]) on negotiations towards trade liberalisation and related issues, headed by the then Director-General Mr Mike Moore, to bring down trade barriers around the world. The ministerial conference started in Doha took the shape of a Development Round because the major proposals were projected towards the progress of developing and least developed countries. Subsequently, negotiations and conferences were also held in Mexico (2003), Hong Kong (2005), Switzerland (2009 & 2011) and Indonesia (2013). Related general council negotiations also happened in Switzerland (2004, 2006, 2008), France (2005), and Germany (2007), to realise the issues proposed during the Doha ministerial conference. This paper gives an overview of the idea of the Doha Development Round, the negotiations that underwent, achievements, failures and the effect of such outcomes for the worldwide economy.

2. The Doha Mandate

The main issues discussed in Doha supported the proposals made by the group of developed countries led by the USA, European Union, and Japan, and the group of developing countries including South Africa, Brazil, India, etc. Also, China's accession to the WTO was a serious change that happened at Doha round. There have been in total about 21 subjects on the agenda list for Doha round of negotiations. First on this list were the implementation-related issues first raised by developing countries during the Uruguay Round (1986-94) [5], when it had been found that earlier agreements weren't implemented efficiently especially by the developed nations, therefore the Doha mandate (under para 12) provided two approaches to affect these issues. Firstly, it had been agreed to adopt decisions clarifying the obligations of developing country members, with reference to issues regarding barriers to trade, subsidies, agriculture, textiles [10], and trade-related investment measures. These would then either be treated under the terms of "mandate already decided on them" and other issues where there's no mandate to discuss would then be treated as "a matter of priority". These bodies would then report back to the

Trade Negotiations Committee by the end of 2002 for appropriate action.

Achieving substantial reform in agricultural markets has been a major agenda of the Doha Development Round. Agriculture is vital because nearly half the below poverty households in developing countries derive their livelihood from farming, and yet the distortions in agricultural markets remain very high. Agriculture under the Doha mandate (para 13 and 14) has been mentioned as the "single undertaking" under which all the linked negotiations got the deadline of January 2005. Negotiations were focused on substantial improvements in market access, reductions of all sorts of export subsidies and reductions in trade-distorting domestic support. The committee agreed on the integrality of special and differential treatment for developing countries and modalities on this provision were then agreed to be established by March 2003. The Doha Declaration also involved reductions in trade-distorting domestic support within the sort of subsidies and eventually harmonisation¹. Regarding, the non-agricultural market access (NAMA), members (under para 16, 50, 31(III)) agreed to launch tariff-related negotiations on all non-agricultural products to scale back or eliminate tariffs and non-tariff barriers to require under consideration the requirements and interests of developing and least-developed countries.

The General Agreement on Trade in Services (GATS) committed member nations to undertake negotiations on specific issues to progressively liberalise trade services. The Doha Declaration (under para 15, 31 and 33) also reaffirmed the negotiating guidelines and procedures set under GATS and established, most significantly, the deadline for concluding the negotiations as a part of one undertaking. The negotiations happened in "special sessions" of the Services Council and regular meetings of the respective subsidiary committee. With reference to trade-related aspects of intellectual property rights (TRIPS), the declaration stressed on the importance of implementing and interpreting the TRIPS Agreement to support

¹Countries with higher levels of trade-distorting support must make deeper cuts than those who subsidize at lower levels indomestic support was suggested.

public health, by promoting both access to existing medicines as well as the development of latest drugs. Thus, a separate declaration (under para 17–19) re-affirming governments' right to use the agreement's flexibilities to avoid any restraints was designed to address the possible implications of the TRIPS for access to medicines. The declaration also directed the council constituted to study TRIPS to review the interaction between the TRIPS Agreement and the UN Convention on Biodiversity; the protection of traditional knowledge; and the other relevant developments. And to facilitate trade, Doha declaration (under para 27) reaffirmed that the WTO council should continue with an equivalent procedure to review and clarify relevant issues supported text designed under GATT (1994) up till 2003.

The Doha declaration (under para 28, 29) also emphasised on the main WTO rules such ministers agreed to the negotiations on the Anti-Dumping (GATT Article 6) and Subsidy agreements. Negotiations for this category were placed under the Rules Negotiating Group. The declaration mandates negotiations aimed toward improving the disciplines and procedures under the WTO provisions to regional trade agreements. Doha Declaration (under para 30) also mandated that the results of the review started by the Dispute Settlement Body in 1997, formed after the Marrakesh Ministerial Conference (1994) won't be a part of the only undertaking². Originally set to conclude by May 2003, the negotiations are continued without a deadline.

Ministers during the Doha conference (under para 31–33) agreed to launch negotiations on the connection between existing WTO rules and specific trade obligations in multilateral environmental agreements, negotiate procedures for normal information exchange between secretariats of multilateral environmental agreements and therefore, the WTO, on the reduction or elimination of tariff and non-tariff barriers to environmental goods and services and also decided to appropriately modify existing rules with respect to fisheries subsidies as it has been discussed for several years under Trade and Environment Committees. With reference to electronic commerce, Doha Declaration (under para 34) endorsed the existing set of arrangements and instructed the General Council to analyse the acceptable institutional arrangements for handling the work program and to report on further reach of the Fifth Ministerial Conference.

The Doha Declaration (under para 35) mandated the General Council to evaluate the issues faced by small economies and to form recommendations for the subsequent Ministerial Conference on what trade-related measures could improve the integration of small economies. Further, it had been decided in Doha (under para 36) to setup a Working Group on Trade, Debt and Finance to analyse how trade-related measures can contribute to finding a durable solution to external debt and financial crisis in developing nations. With regard to trade and technology transfer, WTO ministers decided in Doha (under para 37) to setup a Working Group to look at the necessity for a transfer of technology between developed and developing countries. With the objective of promoting technical cooperation and capacity building, WTO members in Doha declaration (under para 38–41) agreed in various ways to ultimately provide technical cooperation and capacity building

within the most required nations, thereby facilitating trade as a measure to rectify development issues in these countries. As a result, the General Council adopted (Dec 20, 2001) (one month after the Doha conference) a new budget that increased technical assistance funding by 80% and established a Doha Development Agenda Global Trust fund. To deal with the problems faced by least developed countries (LDCs), the Doha Declaration (under para 42, 43) committed all the members to the target of duty-free, quota-free market access to LDCs' products and to think about additional measures to enhance market access for these exports. Besides, the Subcommittee for LDCs designed a piece program in February 2002, as instructed by the Doha Declaration, taking under consideration the parts of the declaration associated the trade that was issued at the UN LDC Conference. Within the declaration, members (under para 44) also agreed to review all types of special and differential treatment provisions to strengthen the developing countries.

3. The "Development" Rounds

The negotiations during the ministerial conference held in Doha, 2001 didn't come up with concrete decisions on the problems discussed but rather provided the idea of discussions for future ministerial conferences held later. The subsequent discussions of varied conferences held later incorporate the event on the themes covered under the Doha mandate. World Trade Organisation's (WTO) Fifth Ministerial Conference was organised in Cancun, Mexico from September 10 to 14, 2003. The Cancun conference was conducted to assess the progress that has been made in negotiations mandated by the Doha Declaration. The ministerial conference ended without agreement on any of the mandated issues and was ended after the informal consultations among the 30 most influential member countries (referred as the "Green Room" meeting) when an agreement couldn't be reached on any of the four famous "Singapore issues"³, thus the lack of consensus on Singapore issues was majorly attributed to the collapse of this round. After the failure of the Cancun Ministerial Conference (2003), WTO members during the Geneva (2004) conference began efforts to place the negotiations and therefore, the remaining work program back on target by providing the framework for further negotiations. The "July package" as it is famously known has produced modalities on agriculture (Annexure A), NAMA (Annexure B), services (Annexure C) and trade facilitation (Annexure D).

The sixth ministerial conference of the WTO was held in Hong Kong 2005. The conference started with the analysis of the "July Package" proposed by the General Council in 2004. Among the main agreements made in Hong Kong, a major agreement was to eliminate all sorts of export subsidies and to regulate export measures by the top of 2013. Concerning domestic support, it had been agreed to implement reductions by categorising members in three bands with higher linear cuts in higher bands. Hong Kong ministerial conference saw an enormous compromise on the part of developing countries within the proposed Annexure B when members agreed to adopt Swiss formula to reduce industrial tariffs. But this formula

²It will not be tied to the overall success or failure of the other negotiations mandated by the declaration and will review separately.

³This refers to the working groups set during the Singapore ministerial conference of WTO(1996) to look into the issues related to trade and competition, facilitation, investment, and the transparency in procurements by the member governments.

was later found making cuts in higher tariffs, proportionally higher than in lower tariffs, penalising mainly developing countries to create their industrial sectors.

After the ministerial conference in Hong Kong [3], ministers and heads of delegations met (June 28-Jul 1, 2006) in Geneva for intensive negotiations on agriculture and industrial products. The main discussions were towards the new mandate on farm subsidies and import taxes. Negotiations were suspended after ministers from all six major members didn't come to any consensus, majorly because of the disagreements on problems with market access and domestic support in agriculture. The member countries were so adamant on their standpoint that they didn't even discuss the problems under NAMA. The representatives from the G4 group within the WTO (EU, USA, Brazil and India) met in Potsdam, Germany in June 2007, to debate delaying WTO negotiations on agricultural trade and NAMA. There have been strong efforts to beat deep differences over the extent of openness in agricultural and industrial markets. In July 2008, during the Geneva conference, the talks plunged on the problems of agricultural trade and tariffs when the USA rejected demands by developing countries for a 'special safeguard mechanism' for allowing them to guard domestic farmers against increased imports, India and its allies threatened to abandon the talks. To address this, Susan Schwab the trade representative of USA announced a reduction on the cap of its farm subsidies from \$18.2 billion to \$15 billion dollars a year. After discussions and deliberations, there were still disagreements on problems with special protection for Chinese and Indian farmers and African and Caribbean banana imports to the EU. Ultimately negotiations collapsed on 29 July as there was insoluble disagreement between India and the USA over the special safeguard mechanism.

The seventh ministerial conference of Doha round held in Geneva 2009. The general theme of the discussions was decided as a multilateral trading system and the contemporary economic environment. The conference was decided to focus majorly on reviewing the functioning of the WTO organisation and to provide guidance to the organisation for its continued work. The WTO General Council held the eighth WTO ministerial conference session in Geneva from December 15-17, 2011. New members were included in this session and the dream of WTO agreements becoming universal was thus somewhat achieved. Trade ministers adopted a waiver to ensure developing and developed-country members about preferential treatment to services and service-suppliers of least-developed country (LDC) members for an additional period of 15 years. Decisions regarding the celebrated TRIPS agreement were also taken under which the deadline for not filing a TRIPS

complaint was extended till 2013 and the transition period for implementation of the TRIPS agreement by LDCs was also extended. The council also maintained the ongoing practice of non-imposition of custom duties on transactions related to e-commerce. The Ninth ministerial conference under the new director-general, Roberto Azevêdo, was held in December 2013 in Bali, Indonesia[1]. The outcome of this conference is in terms of negotiations under the package called "Bali Package". It contained agreements on issues related to agriculture, trade facilitation, cotton and development of LDCs. Also, there were distinctions within developing group members on the determination of minimum support price for procurement of farm products.

4. Conclusion

Doha development round's mission was an overall development of the global economy and welfare of the struggling economies by facilitating trade. Since its commencement in 2001, the objective is nowhere found to be achieved. This is practically the longest-running trade negotiations round till date and though various issues regarding the multilateral trade have been achieved so far, the themes which made the basis of this round have not been proved yet. The development aspect of the negotiations has always been questioned by scholars. However, research by major institutes predicts that successful completion of the round would lead to an enormous increase in global welfare (about \$574 billion). These numbers are given to the world economy as a whole, but the benefits to the developing and LDCs are always doubted. Although the deal in Bali has certainly helped to breathe life into the Doha Development Round, but enormous failures of talks and lack of consensus between member countries on the issues has put the future of this development round in serious doubt. As WTO's last director-general Pascal Lamy (see [4], [11], [16]) warned the members by quoting "Do not chop off the branch on which you are sitting", but the world still seems to be doing the same.

Acknowledgement

I would like to thank Ms Shreya Dhoundiyal for helpful comments and suggestions.

References

- [1]. Agriculture Negotiations: Fact Sheet. (2014). The Bali decision on stockholding for food security in developing countries. WTO. Retrieved from https://www.wto.org/english/tratop_e/agric_e/factsheet_agng_e.html.
- [2]. Doha Work Programme, Decision Adopted by the General Council on 1 August 2004, WTO Doc. WT/L/579. https://docs.wto.org/dol2fe/Pages/FE_Search/FE_S_S009-DP.aspx?language=E&CatalogueIdList=42383,81935&CurrentCatalogueIdIndex=1&FullTextSearch=
- [3]. Doha Work Programme, Ministerial Declaration of 18 December 2005, WT/MIN(05)/Dec, available at http://www.wto.org/english/thewtoe/ministe/min05_e/final-text_e.htm.
- [4]. Pascal Lamy (2008), The WTO Doha Development Agenda: Working For a Fairer Global Trading System.

- [5]. Peter D. Sutherland (2008), *Leadership and Vision: Some Lessons From the Uruguay Round*, in *WORLD TRADE ORGANIZATION, THE WTO: GOVERNANCE, DISPUTE SETTLEMENT & DEVELOPING COUNTRIES* (edited by Merit E. Janow, Victoria Donaldson & Alan Yanovich eds., 2008).
- [6]. World Bank (2002). *Global Economic Prospects and the Developing Countries 2003*, The World Bank, Washington, DC, October. http://documents1.worldbank.org/curated/en/285571468337817024/310436360_20050012014722/additional/multi0page.pdf
- [7]. World Bank (2003). *Global Economic Prospects 2004: Realizing the Development Promise of the Doha Agenda*, The World Bank, Washington, DC, September. <http://pubdocs.worldbank.org/en/77861443469725462/Global-Economic-Prospects-2004-Realizing-the-development-promise-of-the-Doha-agenda.pdf>
- [8]. World Bank (2005). *Global Economic Prospects (2005): Trade, Regionalism and Development*, World Bank, Washington DC. <http://pubdocs.worldbank.org/en/295201443469726534/Global-Economic-Prospects-2005-Trade-regionalism-and-development.pdf>
- [9]. World Trade Organization (2001), Ministerial Declaration of 14 November 2001, WT/MIN(01)/DEC/1, 41 I.L.M. 746 (2002). https://www.wto.org/english/res_e/booksp_e/doha_round_texts_e.pdf.
- [10]. World Trade Organization (2004). 'The Global Textile and Clothing Industry post the Agreement on Textiles and Clothing', Discussion Paper No. 5, WTO, Geneva. https://www.wto.org/english/res_e/booksp_e/discussion_papers5_e.pdf
- [11]. World Trade Organization (2008), Lamy Says Time for Action is Now Amid Economic Threats, WTO:2008 NEWS ITEMS, July 21, 2008, http://www.wto.org/english/newse/news08_e/meet08_chair_2_ljuly08_e.htm.
- [12]. World Trade Organization (2001), Preparations for the Fourth Session of the Ministerial Conference: Proposal for a Framework Agreement on Special and Differential Treatment, WT/GC/W/442 (2001). https://www.wto.org/english/thewto_e/minist_e/min01_e/proposals_e/wt_gc_w442.pdf.
- [13]. World Trade Organization (2001). Ministerial Declaration, Ministerial Conference, Fourth Session, Doha, 9–14 November 2001. WTO, Geneva. WT/MIN(01)/DEC/W/1. https://www.wto.org/english/thewto_e/minist_e/min01_e/mindecl_e.htm.
- [14]. World Trade Organization (2011), Development: Aid for Trade at a glance-- A factsheet, available at https://www.wto.org/english/res_e/booksp_e/a4t11_3_fact_a_e.pdf
- [15]. World Trade Organization (2006), Task Force on Aid for Trade, Recommendations of the Task Force on Aid for Trade, WTO Doc. WT/AFT/1, 27 July 2006. https://docs.wto.org/dol2fe/Pages/FE_Search/FE_S_S009-DP.aspx?language=E&CatalogueIdList=58379&CurrentCatalogueIdIndex=0&FullTextHash=&HasEnglishRecord=True&HasFrenchRecord=True&HasSpanishRecord=True.
- [16]. World Trade Organization (2007), Aid-for-Trade Initiative "Critical" for Latin America and the Caribbean Lamy, 13 September 2007, WTO NEWS: SPEECHES, www.wto.org/english/news_e/sppl-e/sppl68-e.htm.
- [17]. World Trade Organization (2008), Aid-for-Trade Roadmap, Annotated Update, 4 June 2008,
- [18]. https://www.wto.org/english/news_e/news08_e/news08_e.htm.