

Press Release – September 16, 2009

NEW ECIPE POLICY BRIEF

How to revive the Doha Round with some chance of success

A new Policy Brief by Roderick Abbott, a former Deputy Director General of the World Trade Organisation and now a Senior Adviser at ECIPE, launches a new approach to finish the belated Doha Round of trade negotiations that started eight years ago in the Qatari capital. Past and current approaches in the Doha Round have not yielded results. Recent efforts to revive the negotiations have failed. A series of statements from the G20 about the importance to finish the Doha Round have fallen flat on the ground. It is time for WTO members to go back to the drawing board to re-jig the negotiations.

This Policy Brief concerns the troubled state of the Doha Round. The classical model for a multilateral trade negotiation (as developed from the GATT years and commonly called a Round) would include trade liberalisation through tariff reductions and elimination of non-tariff barriers, with an expectation of active participation by around 40 countries who would collectively account for 90% of world trade. Many GATT members were thus peripheral to the process. Among other consequences this led to skewed results with much less progress in areas where developing countries had a major interest, but where the main players had a defensive attitude such as agriculture and textiles. .

The Doha Round began with a similar model and two major differences: first, following progress in tackling other types of barriers, there was heavy emphasis on the need to deal with trade distortions (especially the effects of export and domestic subsidies in the agricultural sector in the USA and in Europe), and second, the active number of participants had swelled to potentially 120 or more.

Over seven years – November 2001 to December 2008 – the negotiations limped along with moments of progress amid long periods of stalemate or failure (deadlines not respected, discussions collapsed with no result). A strong concentration on two sectors, agriculture and NAMA tariff cuts, failed to produce an agreed outcome; and also failed to generate the needed progress in other areas such as services, rules or intellectual property as well as leaving developing countries extremely dissatisfied.

This is where matters stand. This paper seeks to argue that it would be futile and self-defeating to simply try to resurrect negotiations from the same point where they collapsed. No major participant is going to abandon its positions in that way; there would be reiteration of previous positions and the current impasse would simply be strengthened. It recognizes that everyone is reluctant to give up on the investment in time and talent that has led discussion to the point it has now reached; but the plain fact is that there was no consensus to conclude on that basis, and contrary to many reports, there were multiple points of divergence of views, any of which could have proved the undoing of a deal.

So, where to go next? This paper seeks to establish two broad principles as guidelines for further action. First, that it will be necessary to proceed with developing countries in a way that is different

from the DDA, in order to increase their sense of ownership in any final result and to secure consensus from that vital section of the WTO membership. Second, that a rapid closure is necessary, both to assist in meeting the global economic problems that all countries face and to move on to a different set of negotiating issues in the trade area in response to new challenges (climate change, energy security, food supplies). To achieve this, a simplification of some of the main access objectives may well be required. Reduced ambitions that can be achieved; clearer targets that can be accepted, with flexibility for countries built in rather than negotiated ad hoc; a result that is still balanced and attractive to members – that is the new road map for Geneva.

Publication details:

How to revive Doha with some chance of success, by Roderick Abbott

ECIPE Policy Brief No. 04/2009

Roderick Abbott is a Senior Adviser at ECIPE; a former Deputy Director General of the World Trade Organisation (2003-2005); a former Deputy Director General of the European Commission (DG Trade)

Press information

For further comments, please contact Roderick Abbott (roderick.abbott@ecipe.org) at +32 474 83 93 80

The paper can be downloaded at www.ecipe.org