

Breaking the Deadlock in Agricultural Trade Reform and Development:

How could a Leaders' Level G20 make a difference?

June 8-9, 2004

Draft Meeting Report¹

The Global Economic Governance Programme (Oxford, UK), Centre for International Governance Innovation (Waterloo, Canada), and the Centre for Global Studies (Victoria, Canada) co-hosted a conference in Oxford on June 8th – 9th, 2004 to discuss the problem of the deadlock in WTO negotiations on WTO agricultural trade reform. The meeting gathered 37 academics, practitioners, NGO representatives, and government officials. The agenda focused attention on the potential components of a politically-feasible “deal” on agriculture, trade and development and on consideration of the prospects for a Leaders' Level G20 to improve the political prospects for advancing such a deal.

The conference was the first in a series of meetings to be coordinated jointly by CIGI and CFGS² in collaboration with partner organizations to stimulate debate on the potential for a G20 at Leaders' level to strengthen international responses to critical global challenges. Issues to be explored in subsequent meetings include: HIV-Aids, terrorism & weapons of mass destruction, the post-Kyoto Protocol regime, global financial crises, access to water, and the responsibility to protect. Each meeting will also examine questions regarding the appropriate composition of a Leaders' Level G20, its relationship to existing fora, the best means to engage the major powers, and potential roles for civil society.

The following report synthesizes the discussion and the key meeting conclusions.

Background and Goals for the Meeting

The attainment of the 2001 deal to launch a new “Doha” Round of multilateral trade negotiations rested upon a commitment to a more development-supportive global trading regime. The adoption of the idea of a “development agenda” reflected growing recognition that the rules of the global trading system had to better reflect the interests and needs of developing countries. Agricultural reform was a critical component of this deal. The Doha Round has thus far, however, failed to live up to the high expectations. Negotiations are essentially at a stand-still—with the central problem being a stand-off among Members on agricultural negotiations. Without movement on this issue, there is growing concern about the legitimacy of the trading system, particularly in the context of questions about the capacity of the broader system of global governance to respond adequately to the needs and interests of developing countries.

The three central questions for discussion were as follows:

- What would be the shape of a deal for agricultural reform at the WTO?
- How could the deal be made to work politically?

¹ This report was compiled by Carolyn Deere drawing on input from Barry Carin, John English, Caroline Khoubessarian (rapporteur), Sophia Murphy, Andres Rozental, and Ngaire Woods.

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- Would a Leaders' G20 be an effective forum to push the deal and resolve the deadlock?

In addressing these questions, the organizers encouraged participants to consider the tensions as well as parameters of potential solutions in agricultural reform and to develop a political analysis of the possible. The conference organizers also emphasized the possibility that a Leaders' Level G20 may not be the right answer for the deadlock on agricultural trade negotiations. Rather than assume its usefulness, they challenged the participants to consider carefully whether indeed the debate on agriculture, trade and development is at a political juncture where attention from Leaders could help advance the achievement of a workable solution.

From the outset, participants identified the need to guard against a proliferation of more international institutions or 'talk shops' except for where there is an obvious gap in the current system. In this sense, there is a clear need to identify the ways in which the existing system for discussing agricultural, trade and development issues fails and the extent to which a Leaders' Level G20 could respond to those particular challenges. There was also an initial caution to guard against excessive optimism about the constructive potential of Leaders (particularly given temptations to misuse international initiatives for domestic electoral considerations).

Noting potential confusion, the organizers emphasized that the focus of the meeting is not the "trade" G20 (constituted prior to the WTO Cancun Ministerial in 2004) but a Leaders' Level G20 mirroring the G8 and G20 Finance Ministers forum.

Framing the Issue: The Deadlock in Agricultural Trade Reform

Led by an opening presentation by Kevin Watkins (see background paper by Watkins for Session 1), the conference opened with an examination of the key development challenges any balanced negotiating outcome must address.

Kevin Watkins' presentation highlighted two powerful arguments for reform of the current agricultural trade regime.

- It is costly and damaging: export subsidies, export credits, domestic support schemes, and effective dumping in other markets have few if any social benefits in the EU and US. Yet they are denying market access to many developing countries; lowering world prices and increasing price volatility of agricultural goods; artificially expanding the OECD's global market share; and causing lower prices and wages to rural producers in poorer commodity-importing countries.
- It is not protecting the poor and vulnerable: liberalization in agriculture in developing countries has been pressed with too little attention to poverty reduction and food security. Existing safeguards and special-and-differential treatment provisions are inadequate.

Watkins' presentation inspired an active discussion of the political dimensions of the agricultural trade debate. Participants emphasized the historic significance of the agricultural negotiations, noting that the Doha Round is the first round to attempt comprehensively to address agricultural reform. The emergence of new negotiating dynamics was also discussed. In particular, participants noted that the rise of the "trade" G20 in the lead-up to Cancun represents a major challenge to EU and US dominance of the agricultural negotiations. Participants noted that the trade G20 appears strongly committing to defy skeptics by maintaining a strong unified coalition in the ongoing negotiations.

While the G20 is clearly an important new force for shifting the balance of power in WTO negotiations, participants noted also the reality of powerful, albeit often small, domestic interests in rich countries. The effective lobbying of these interest groups will continue challenge the ability for even a united trade G20

to have enough influence on the United States and European countries to push reform. In describing the political landscape, participants also noted the formation of the G90 and G33 coalitions of developing countries in the lead up to Cancún (a summary of their various negotiating priorities was provided in an Annex to the background paper prepared by Luisa Bernal). The challenge of technical capacity and political leadership was highlighted as an ongoing concern of the weaker countries.

The highly technical nature of international negotiations on agricultural reform provoked considerable discussion about whether the issue should be left in the hand of trade negotiators or supplemented with greater political engagement. On the one hand, participants noted that the “technicity” of the issues may frustrate the potential for active engagement by many politicians in brokering any deal. On the other hand, some participants noted that the multiple aspects of the agricultural reform debate (i.e., that trade negotiations are less able to ignore the linkages between agricultural reform and broader issues of global governance, poverty and development) make greater political engagement both necessary and inevitable.

Here, the meeting considered what might be the particular contributions that Leaders might make to the debate on agricultural reform. Participants noted that there are specific things that only Leaders can accomplish. Leaders are often those best equipped to change the rules of the game, to persuade other leaders, and to look beyond the interests of a particular Ministry or set of interest groups. In principle, they have the potential to conceptualize the national interest more broadly and to more effectively envision and broker the appropriate domestic political bargains. Alternatively, some participants highlighted the widespread distrust of major political leaders at present.

Capacity Building, Coherence Governance and Other Elements of a Development ‘friendly’ Deal

Governance, coherence among international on trade, and capacity building are all issues on the negotiating table in the Doha Round. The conference explored not only how progress on these issues be critical to the success of any agricultural deal, but also the question of whether these issues offer some distinct possibilities of areas where G20 Leaders might be uniquely positioned to contribute.

Capacity Development and Policy Coherence

A core element of a successful Doha Round will be improving efforts at enhancing the capacity of poorer countries to benefit from trade. Led by a presentation by Carolyn Deere, participants discussed the ways in which capacity development is a critical piece of the puzzle in terms of bringing the ‘North’ and the ‘South’ to conclude a successful deal on agricultural reform. The discussion highlighted that although some 5% of development assistance goes into trade-related capacity building, needs continue to far exceed the available resources. Moreover, while many donors are working to improve the way in which assistance is provided, a series of concerns about the thrust of capacity building were identified, including inadequate evaluation, short-term strategies, donor-driven supply of assistance, the over-dependence on developing country experts, consultants and companies in the provision of assistance and other forms of tied assistance, bias in policy, legal and technical advice as well as training priorities that advance developed country commercial and negotiating interests, short-term strategies, and lack of tailoring to local needs.

In the areas of policy coherence, participants noted the lack of coherence among many of the policies, loans, and advice provide by different international regimes and bilateral donors. For example, where space for flexibility has been hard-won in the WTO, countries sometimes find that space extinguished by conditions in World Bank policy loans.

Among the various suggestions for improvement, the following priorities were identified:

- Increased ownerships, durability and long-term capacity building strategies;

- Greater efforts by developed countries to make their policies more consistent with their international development commitments;
- Greater explicit integration by developing countries of trade and development policies and policy-making processes;
- Stronger monitoring and evaluation
- Harmonization of reporting and administrative procedures among governments
- Adoption of more innovative and responsive assistance (e.g., greater emphasis on supply-side support, assistance in the area of commodities, and consideration of prospects for compensation).
- Building capacity of developing countries to assess policy options and trade offs. Participants particularly noted the importance of investing in durable analytical capacity – located in academe, institutions, and policy makers.
- Ensuring the negotiations allow for a full assessment of the cost to developing countries of compliance with and implementation of rules.

The fact that a Leaders' G20 would draw together both donors and recipients means that it could be a conducive setting for exploring opportunities for greater coherence and better understanding of current needs on technical assistance. It was suggested that the G20 could spearhead an improvement in capacity building and technical assistance by: (1) committing to untie (in a broad sense) capacity building assistance so that developing countries are able to use the resources in a manner that they have identified as effective; (2) by increasing (properly used) resources for capacity building; (3) by better allocating functions and ensuring coherence between the activities of different international organizations and donors, and international development commitments (such as the achievement of the Millennium Development Goals).

Governance and Institutional Reform

Building on earlier discussion of whether political leaders or the trade negotiators are the best positioned to achieve a deal on agricultural reform, participants engaged in a more detailed consideration of the governance and institutional arrangements of the WTO. In her presentation, Amrita Narlikar argued that the WTO lacks the necessary clear, formal procedural rules in key areas of its work—particularly given the expansive legal system and obligations that it oversees. Narlikar suggested that more formal procedures (e.g., such as the criteria for selecting a facilitators for Ministerial negotiations) would both allow negotiators to be more effective and make it less necessary for political leaders to become involved.

Narlikar used the recent collapse of trade negotiations in Cancun to illustrate her argument, highlighting the disagreement from the start about who sets the agenda and how? Countries rejected attempts by the Chair of General Counsel together with Director-General to proceed on an initial 'Castillo draft'. The negotiating process foundered over what 'explicit consensus' meant and how it should be reached. The use of facilitators ("Friends of the Chair") in trying to bring about consensus was highly controversial. Finally, the closure of negotiations by the Conference Chair (Derbez) highlighted gaps in formal rules of procedure. She argued that a more coherent framework would enable more preparatory work to be completed by those with expertise in Geneva and reduce unnecessary distractions and bickering.

Narlikar argued that developing countries cannot gain from flexible rules which leave room for discretion to pursue consensus through informal meetings (8-country proposal) or procedures which give more role to politicians forging compromises establish consultative body (Lamy and EU). This may produce a more decisive organization but it will seriously marginalize poorer developing countries who lack the capacity informally to lobby and to press positions across the bewildering breadth of issues now raised within the WTO. The solution therefore must be to press for strict procedural rules to ensure decisions are taken in formally representative and fully transparent forums. This would place the negotiating process more squarely in Geneva amidst technocrats and professionals. The proposal is therefore a considerable

challenge for the G20 Leaders-idea since at least some of those leaders are more likely to favour a broad discretionary regime which gives much more of a role to politicians.

Bernard Hoekman introduced a related set of governance issues related to the WTO's weak monitoring and enforcement capacity. The WTO, he argued, has a fairly robust adjudication mechanism, but a very weak and decentralized enforcement mechanism and weak mechanisms for evaluating and addressing the trade-offs embedded in negotiating bargains and the associated cost of compliance. The type of information required goes beyond that generated by the current WTO trade policy reviews; there must be a capacity in the international architecture to produce hard knowledge on the proposed reforms and to respond to their consequences for each individual country. Such a capacity may require some new positions such as an ombudsman at the WTO or a committee of member countries within or outside of the WTO charged with reviewing adjustment concerns and possible responses.

These presentations provoked considerable discussion among participants. Several participants made a powerful case for informality—arguing that flexibility is a critical requirement for deal-making. While none denied the important role that informality can play, some stressed the ways in which power asymmetries can be exaggerated in informal settings. Some participants agreed on a middle-ground position, whereby the point was not to have absolute formality or informality, but to carefully consider the appropriateness of each for different kinds of situations and to have a consistent rather than ad hoc approach so that governments can plan their strategies accordingly. Several participants were adamant that that it is naïve to presume that more formal rules will displace the informal process of real decision making.

Participants appeared to concur about inadequate amount of research and mechanisms addressing the quantitative and qualitative outcomes of the varying deals for agricultural reforms—meaning that political leaders and negotiators are working somewhat in the dark without truly knowing what the costs and benefits are.

The Architecture of an Agricultural “deal”: Possible Scenarios

The discussion of the possible scenarios for and elements of an agricultural deal drew on the recommendations from Watkins's background briefing and also from the presentation of five commissioned “scenario” papers.

Participants engaged in active discussion of the necessary components of an agricultural deal—including some discussion of the relevant technical aspects.

Watkins argued that a G20 at Leaders' Level could press for the following immediate goals:

- (1) Restrict support that generates export surpluses by reducing the categories of goods which at present can still attract domestic support (Amber box and Blue box);
- (2) Reduce export subsidies and credits by pursuing three achievable aims:
 - an export-subsidy prohibition across all product groups within five years;
 - the elimination of the subsidy component of export-credit programmes in a similar time frame;
 - a prohibition on the use of food aid for commercial market development.
- (3) Better monitor the broad range of subsidies and support which reduce the price of exports (including the kinds of cross-subsidies highlighted in the EU sugar dispute) – e.g. a new OECD measure.
- (4) Ensure a flexible regime in respect of developing countries which can protect domestic policies which address poverty and food security particularly in the least-developed countries and Africa.

Five presenters then presented their vision of potential 'win-sets' which a G20 might push.

Luisa Bernal presented a win set which takes into account that liberalization in the current international regime can exact a heavy price on the poorest and most vulnerable people (particularly rural populations) in developing countries. Like others, she highlighted the need to improve market access in developed countries, to eliminate dumping (by prohibiting export financing support), and to restructure and reduce domestic subsidies. Beyond this she proposed differentiated commitments for developing countries, with flexibility in agriculture, and effective technical assistance to improve the institutional and technical capabilities of countries to design and implement their own food-safety policies. She also stressed the need for improved transparency and monitoring mechanisms to allow equal enforcement of the rules. (NB A table at the back of this paper categorizing positions of different groupings of countries on issues of agricultural reform)

Dominique Njinkeu and Francis Mangeni gave a more specific account of what a special regime meeting the special needs of low-income countries would look like. They advocated more careful and differentiated reforms in market access, domestic support, and export competition, along with greater assistance and better role definition among multilateral institutions.

Patrick Messerlin reminded participants of the 2002 US Farm Security and Rural Investment Act and recent EU reforms to the Common Agricultural Policy – highlighting that budgetary pressures will bring both to review over the next few years. He reported the results of simulations of farm liberalization – highlighting the gains for agricultural producers in developing countries. He argued that the figures show that liberalization will not reduce food security or generate price increases (cf Watkins, Konandreas). Liberalization should be pursued with an appropriate array of domestic policies and actions (infrastructural investments, credit markets etc). On three core issues he took a different position to that of most other authors:

- Market access, he argued, is best dealt with using the 'Swiss formula' (Panos Konandreas disagrees – see below).
- On abolishing subsidies, Messerlin focused on curbing domestic support over export subsidies.
- He opposes proposals for safeguards in agriculture on the grounds that safeguards have not in the past worked to protect the poor, they will dilute the pressure on industrialized countries to reform, and that emergency food stocks are a better instrument for ensuring food security.

Panos Konandreas seized the issue of market access. The debate on this has become stranded between the ambition of opening up market access and the flexibility to protect the vulnerable (e.g. commodity-specific sensitive) countries. This trade-off was discussed more broadly in the Watkins Paper (above). Again, the evidence was presented that in some cases developing countries are being asked to go further than their developed country partners. Konandreas analyzed the four formulae for opening up market-access – to see which of them best achieve both market access and the necessary protection of the vulnerable. His conclusion was that what is preventing any constructive forward movement is the excess of uncertainty in all politically feasible arrangements as they stand. He proposed that a successful approach will require:

- Clarity in reduction commitments
- Clarity on SDT provisions
- Clarity on flexibility allowed and associated penalties

Sophia Murphy called for greater attention to (and eventually more regulation of) transnational agribusiness. She highlighted that agricultural dumping and low prices will continue at damaging levels under the present international trade regime. One important reason is the special structure of agricultural markets which are slow to respond to changes in price, are highly concentrated in their structures, and

command politically powerful lobbies especially in developed countries. It is against this background that trade liberalization measures and advice must be considered. She added several proposals which were not addressed in other papers, amidst which:

- the WTO must not prohibit State-Trading Enterprises – since they constitute a useful response to concentrated markets.
- governments need dramatically to improve transparency in international commodity markets (developed countries removed UNCTAD’s mandate to do this in the 1980s).
- investment and competition rules must be part of the long-term framework on agriculture.

John Weekes’ paper (presented by Barry Carin) analysed the who and how of the G20 involvement in the Doha Round. He argued that existing pressures for reform could be effectively harnessed, proposing a specific composition of a G20 meeting on this issue and a timetable for how they might move forward on it.

A discussion involving questions of clarification and responses to the various papers ensued. Some participants emphasized the importance of issues such as non-tariff barriers, and the potential to engage the Northern environmental community as advocates of agricultural reform in the North. Participants considered the question of whether a deal strictly within the agricultural arena is likely to be feasible. Several participants argued that in political terms any agricultural reform undertaken by developed countries would likely need to be balanced by developing country concessions in the realm of services, non agricultural market access, and trade facilitation.

A More Comprehensive Deal

As discussion proceeded over the course of the meeting, it became clearer that it is likely to be a “political” deal toward which Leaders could be best poised to contribute. In particular, participants emphasized the fact that the underlying tensions constraining agricultural reform in many developed countries are primarily political in character. They observed that the changes necessary to make agricultural reform a reality extend far into other areas of domestic policy – such as policies related to food security, economic growth, environmental, industry policy, social equity and regional policies. They also noted that give the potentially significant political costs of reforms to politicians in the United States and the European countries an agricultural reform package would need to include the potential for benefits in other areas.

Importantly, participants concurred that the framing of the agricultural reform issue is important. They advised that it would be important to link agricultural trade reform to the broader issue of development (and in particular the Millennium Development Goals that touch on trade and on reducing hunger) and the reduction of poverty (e.g., through stronger links to the PRSP process). The attraction of appealing to the MDGs is that it enables politicians to take up an existing international framework. The slogan *trading away poverty* was proposed as a way of framing the issue and attaining broad buy-in. By embedding agriculture within this broader frame, political Leaders could help emphasize the political importance of trade policies which create new markets and help enhance the livelihoods of the poor.³ By placing the various domestic bargains within the context of the global commitments countries have already made, political leaders can help link negotiations in the WTO (described by one participant as an organization with teeth but no soul) to a broader normative framework.

In considering the components of a political deal to which G20 Leaders might agree, the emphasis was on devising a “grand bargain” which recognized interdependence and include some opportunities, benefits and assurances for all players. The components of this proposed deal were:

³ Linking the agricultural issue to the PRSPs was another suggestion

- A reduction of market distortions (i.e., reduction of subsidies by States as well as efforts to reduce distortions due to corporate concentration) and greater market access for developing countries;
- Significant increase in the quantity and quality of investment by donor agencies and institutions in the analytic capacity of developing countries to assess policy options and trade offs;
- National commitment from poor and developing countries to rural development strategies. In other words, evidence of national commitment to improving local ownership of and commitment to strategies to improve rural livelihoods and poverty reduction strategies;
- Strategic approach to dealing with the *losers* from the trade system and economic development – this could be done through an existing framework such as the UNDP via a “global trade adjustment facility” or other strategies to compensate those negatively impacted by trade reforms or the lack thereof..

Participants also considered suggestions about whether agricultural issues might best be framed for political leaders in terms of links between security, terrorism and poverty, or in terms of hunger alleviation.

While the importance of reducing market distortions is incorporated into this proposed deal, participants emphasized the importance of focusing on the private sector. They noted the weakness of the system for ensuring the accountability of the private sector—particularly multinational corporations (MNCs)—and in particular the strong pressure MNCs may impose on their governments to avoid such a deal since they have extensively profited from the existing system. That said, participants also emphasized the importance of engaging the private sector in the conception and implementation of a deal, noting the long-term interest of corporations in the strength of developing country markets, resources and labor.

Who can push a deal – Should a Leaders’ Level G20 take on the agriculture, trade and development challenge?

The tentative conclusion of the meeting was that a G20 Leaders Group could play a valuable catalytic role in building the necessary political momentum for a successful result for agricultural trade and development. A Leaders’ G20 would not, however, be the ultimate forum for breaking the deadlock on agricultural reform—the development of a detailed agreement should remain the domain of the WTO and its Members. The advantage of having a Leaders G20 take on the agricultural challenge lies in the fact that any viable deal involves much more than pure WTO technicalities. Agricultural reform is deeply embedded in the set of broader development issues.

Although the need for reform is great, participants highlighted the need for in-depth research on the costs and benefits of the technical deals for each country. In particular, participants noted that to enable the desired level of political engagement, the Leaders of powerful countries would require far more (digestible) information about the political trade offs and concessions they might make and about which policies and practices cause the greatest distortions. What was clear is that trade ministries alone are not sufficiently powerful or equipped to forge the kinds of “fair” deal envisaged. Given the power of domestic agricultural interests, and the need to engage trade, aid and agricultural ministries among others in devising a global response, participants concurred that there is a need at the domestic level to motivate Northern Leaders to take up the challenge of agricultural reform.

Composition

The composition a Leaders' Level G20 is a complicated matter. The participants concurred that the major trading powers (US, EU) and the emerging markets would need to be at the table. The challenge, however, of limiting the group to 20 members highlighted several issues. First, there may be a need for a variable geometry, where by the appropriate composition and size of any informal Leaders' G20 grouping would need to be flexible depending on the issue under discussion. To be sure, it would be necessary to include those countries whose buy-in is vital to ensure the implementation of any deal (US, Japan, EU, Canada). Some representation of the least developed countries would also be important to ensure that poverty and development considerations are properly considered. For the agricultural arena, participants proposed that one way of organizing adequate representation of different kinds of developing countries could be to invite them to nominate representatives of particular regional groupings (such as ASEAN, the AU, Latin America, etc) and or particular negotiating/political groupings (such as the "trade-G20", the G90, and the G33).

One proposition was to see the Leaders' Level G20 as a process rather than an event: preliminary meetings to discuss the proposal could be initiated in the various regions and among both developed and developing country governments and groupings (such as the G3 of India, Brazil and South Africa (IBSA)). A Leaders' G20 meeting could thus become a *moment in a process*. Finally, some participants noted that the formation of an agricultural "deal" may depend less on a politically-correct selection of countries, but rather on the presence of the right political personalities.

Finally, assuming his re-election, participants concurred that the Prime Minister of Canada would be well-positioned to work with other supportive countries to build support for a G20 Leaders process. That said, Canada's credibility in working to bring the United States and European countries to the table for a serious deal with the 'South' would depend in part on its commitment to also making adjustments in its agricultural sector.

Civil Society

The meeting briefly considered the prospects for engaging civil society in a Leaders' Level G20 process. The importance of legitimacy was emphasized, particularly given civil society concerns about the limited accountability and transparency of the existing international architecture. Participants emphasized the vital role for civil society in campaigning for agricultural and development reforms from the bottom up and to push G20 Leaders' to ensure that any deal is fair and beneficial to citizens (particularly for poor farmers and not just for large, industrial agriculture interests). The importance of incorporating civil society voices both at the domestic level, at the WTO, and in any G20 process related to striking a deal was strongly noted. The potential mechanisms for interaction between civil society and the Leaders' Level G20 were only fleetingly discussed due to time constraints.

Timing

The meeting addressed the question of appropriate timing for Leaders' Level Action on agricultural trade and development issues. The meeting was not conclusive on this point.

On the one hand, some participants suggested a window of opportunity will exist over the next year. Noting that the UK will take up leadership of both the G8 and the EU in 2005, they emphasized that the UK commitment to development issues is relatively strong and thus augurs well for the exercise of some political will. The UK Prime Ministers' recently launched Commission for Africa was cited as an example of the kind of political leadership one might expect from the UK with respect to the broader idea of a Leaders' Level G20. Some participants highlighted the possibility of complementing the UK-hosted G8 meeting in June 2005 with a meeting of potential G20 members to work on a proposal to bring about agricultural reform.

On the other hand, some participants argued that too many uncertainties exist for Leaders' Level attention to be feasible or productive at this stage. Without greater specification of the exact costs and benefits of a change in the system for the various political players, they argued that the issue of agricultural reform would not appear ripe for a deal from the perspective of political leaders, particularly given the domestic pressures within many of the major players.

Importantly, questions were also raised about whether the timing is right—not just for the developed countries (which would be the primary target of calls for reform) but also from the perspective of developing countries. Several considerations introduced uncertainty in this respect. Most importantly, some participants emphasized that the implementation of existing Uruguay Round commitments remains incomplete. They argued that it may benefit developing countries to delay further agricultural negotiations to enable developed countries to feel the heat of the implementation of existing Uruguay Round commitments. In particular, they suggested it may be useful to wait to see the extent to which developing countries are able to apply legal pressures on major subsidizing powers as a result of the expiration of the Peace Clause.

Similarly, some participants questioned the assumption that the strategic priority for developing countries at this time should be to push strenuously for new agricultural negotiations, proposing that it is worth considering whether they might not better proceed cautiously until they have developed stronger negotiating capacities (particularly as the expanding number of regional agreements may mean that developing countries can act as more organized and coherent negotiating groups) and supply-side competitiveness. Finally, some participants argued that the prospects for successful negotiations from a developing country perspective would remain weak until both the WTO's internal negotiation procedures and the prospects for more effective enforcement of rules improve.

The Bottom Line

The Doha deadlock is in large part due to the inability of trade negotiators from both developed and developing countries to agree the necessary trade-offs to make the round a genuine development round. It is for this reason that a G20 at Leaders Level could help to break the deadlock. G20 leaders could lift the overall framework out of the hands of trade-negotiators. Their leaders-level agreement could rewrite the briefs for negotiators and thereby create the conditions for a positive trade round.