Change of Power in the WTO – Reality or Illusion?

A study of developing countries’ bargaining power in the GATT/WTO negotiations from the Tokyo round to the Doha round

Abstract

The agenda of the multilateral trade negotiations has since the beginning of the creation of GATT in 1947, traditionally been dominated by the industrialised countries' interests. The last decade has, however, shown signs of a possible change in the power relations between developed and developing countries, in favour of the developing countries. The aim of this study is to document and analyse whether the developing countries have managed to increase their bargaining power in the GATT/WTO negotiations, and if this is the case, how this change can be explained. By providing a broad overview of the evolvement of developing countries’ bargaining power in the Tokyo round, Uruguay round and the ongoing Doha round, it can be shown that over time, developing countries have strengthened their bargaining power, resulting in their interests being better reflected on the agenda of the multilateral trade negotiations. Possible explanatory factors for this change can in particular be found in developing countries having increased their ability to build sustainable coalitions, and in having enhanced their market shares in world trade. Yet, developing countries’ ability to influence the actual substance and practical implementation of their bargained agreements is deficient.

Key words:  GATT, WTO, developing countries, bargaining power

Author:    Pia Lindström*
Tutor:     Professor Jonas Tallberg
Examiner:  Ass. Prof. Bertil Nygren
Discussant: Yulia Tzolova
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            10.00-10.45 in room F479

* Correspondence to pia.mb.lindstromDELETE_THIS@gmail.com. N.B. This e-mail address has been modified in order to avoid unsolicited e-mail. Before using the address, please remove the DELETE_THIS part in the address.
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Definitions

Power

Power is defined as bargaining power. Power, or bargaining power, is further defined in the conceptual framework and in the theoretical approach section of the thesis.

Multilateral trade negotiations

The multilateral trade negotiations will throughout the study be representing the General Agreement on Tariffs and Trade (GATT)/World Trade Organisation (WTO) negotiations. The two terms will be used as substitutes, and also in random and reverse order.

Negotiation

In the literature, the terms negotiation and bargaining are often used interchangeably, and will also in this thesis be used and treated as equivalents.

Developing and developed countries

In GATT/WTO there are no definitions of developing and developed countries. The process of determining a country’s status is based on self-selection. Since the developing country status can bring benefits through various trade preferences, a member can challenge the decision of another member for “making use of provisions available to developing countries”.

The least developed countries (LDCs), landlocked developing countries, and small island developing states are, however, defined by the UN and can be found listed at the United Nations Conference on Trade and Development (UNCTAD)

The notions developed countries and industrialised countries will in this thesis be used interchangeably, and will in particular refer to the United States of America (US) and the European Union (EU).

Defensive and offensive interest

A defensive interest is defined as the extent to which a country can block an issue in the multilateral trade negotiations. An offensive interest refers to the extent to which a country can initiate and pursue an issue.

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Introduction

Something happened at the Seattle Ministerial in December 1999. After having been systematically excluded from decision making in the WTO for the last five decades, developing countries all of a sudden had had enough. Supported by the heavy and violent anti-globalisation demonstrations outside of the building, developing countries came together, and in unison refused to continue adhering to the industrialised countries’ marginalisation of the developing world. They demanded transparency and to be included in the agenda-setting process. The Seattle Ministerial discontinued and ended in failure.

Later, in September 2003, during the Ministerial Conference in Cancun, the WTO multilateral trade negotiations once more broke down. This time the developing countries had effectively managed to organise themselves in large coalitions in order to bring about their interests in the ongoing Doha round. And the interests of the developing world did certainly not coincide with the interests of the industrialised countries. Initially this led to a complete stagnation of negotiations – the US even threatened to abandon the multilateral trading system and instead start conducting trade through regional arrangements. The threats were, however, followed by committed efforts by the US and the EU, trying to mobilise all the negotiating parties to make concessions in order to reach an agreement and thereby save the multilateral trading system.

The negotiations were slowly revived the following months, and after though multilateral negotiations the parties eventually came to an agreement in the July Package 2004, which would constitute the framework for further discussion in the Doha round. In order to close the negotiations the developed countries had to abandon three out of the four so called Singapore issues, concerning trade related investments, competition policy and transparency in government procurement. These are typically seen as developed country issues and are strongly opposed by the developing world, since they perceive these issues shift the focus from market access issues, which are of most importance to developing countries. The developed countries also had to make concessions in committing themselves to phasing out their export subsidies in agriculture, which in the end would make it easier for developing countries to benefit from their comparative advantage in this sector.

Following the collapse of the WTO negotiations in Seattle and Cancun, and the subsequent conciliating approach from industrialised countries in July 2004, questions have been raised whether the developing countries actually have succeeded in becoming a more powerful force in the multilateral trade negotiations. Are we witnessing an actual change in power relations between the developed and developing countries, in favour of the developing countries? In my thesis my intention is to investigate whether this is the case, and if, how this can be explained.

Purpose of study and research questions

The first and more general aim of this study is to try to contribute to more knowledge regarding the multilateral negotiations in the context of GATT/WTO, with a special emphasis on the role of the developing countries in these negotiations. Multilateral negotiations is an under-studied field of research, very much due to the high complexity that the negotiations are exhibiting, and the severe difficulties in attaining generalisable findings. “Multilateral negotiations are less studied and theorized than either bilateral negotiations or mediation; in fact, they represent ‘one of the
least developed areas in negotiation theory"...Yet multilateral negotiations have become increasingly common and significant in the global arena. In fact, one might claim that there are no bilateral negotiations in international relations, since each side is always composite."

The second and more specific aim of the thesis is to document and analyse, whether, and in that case how, a change in power relations between the developing and industrialised countries, in favour of the developing countries, has taken place in the multilateral GATT/WTO negotiations? In order to fulfil this aim I take the following two research questions to my help:

1) **Have the developing countries gained more power in the multilateral trade negotiations?**
   
   If this is the case,

2) **How can this be explained?**

The first research question will be answered and determined by the extent to which it can be documented that developing countries:

i) Have been successful in bringing about their issue-specific defensive and offensive interests by negotiating over time (agenda-setting).

In case it can be shown that the developing countries have gained more power in the multilateral trade negotiations, i.e. by observing a strengthened bargaining power through examining the independent variable (i), the second research question will be investigated. Explanations to the possible change of power will then be examined through the analysis of certain explanatory dependent variables, which presumably might have been influential in the resulting change:

i) Change in marketshares,

ii) coalition building,

iii) change in norms, and

iv) civil society participation.

The main reason for choosing to study the bargaining power of the developing countries in the GATT/WTO multilateral negotiations is that the developing countries’ access and possibility to trade is considered a decisive factor for economic development and poverty reduction in these countries. The link between trade, economic development and poverty reduction has long been recognised and is also incorporated in the United Nations Millennium Development Goals (MDGs) as one of the means of eradicating poverty by the year 2015. Examining the development of the bargaining power of the developing countries in the GATT/WTO will possibly bring more clarity into whether the negotiations are taking the critical concerns of the developing countries’ trade preferences and their possibilities to trade adequately into question or not.

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7 MDG 8: Global partnership, Target 8a: “Develop further an open, rule based, predictable, non-discriminatory trading and financial system,” Target 8b: “Address the special needs of least developed countries, landlocked countries and small island developing states.” Available [online]: [http://www.undp.org/mdg/goal8.shtml](http://www.undp.org/mdg/goal8.shtml). For indicators monitoring the trade development according to the MDG 8 and Targets 8a, 8b see [online]: [http://www.mdg-trade.org/](http://www.mdg-trade.org/).
I hope that my research questions will help to fulfil both my first overall aim of contributing to an increase in the knowledge base regarding multilateral negotiations in the context of GATT/WTO, as well as my more specific second aim of documenting and analysing the development of developing countries’ bargaining power over time. Additionally I hope that the findings of the study will also propose an indication of whether the trade preferences of, and the opportunities to trade for the developing countries are sufficiently considered from an economic development perspective.

**Outline of the thesis**

Having given an introduction to the subject, and presented the purpose of the study together with the research questions, the conceptual framework of the thesis is given. The conceptual framework is followed by a presentation of the theoretical approach for determining and explaining the bargaining power of the developing countries in the GATT/WTO negotiations. Further, in the empirical findings section, the historical development of the bargaining power of the developing countries is documented, and is subsequently followed by an analysis of this development and the likely explanatory variables for the possible change in power balances. The study ends with a concluding discussion and suggestions for implications for further research and possible policy implications.

**Conceptual framework**

As point of departure, the conceptual perspectives and assumptions of this thesis are addressed. It constitutes the skeleton, on which the rest of the study rests, and will hopefully provide the reader with an intellectual understanding of the perspectives chosen in order to operationalise the subject matter.

First of all, the GATT/WTO will be observed and analysed from the perspective of a negotiation organisation, in contrast to the more common perspective of regarding the organisation as international rule of law. An analysis according the latter viewpoint would for example concern the economic consequences of international rule based trade liberalisation, and show that member countries’ implementation of free trade oriented policies have led to benefits like a general growth in world trade. Looking at the GATT/WTO from the perspective of negotiation procedures gives a more multi-faceted and deeper picture of the functionings of the organisation, and allows for the politics, power and interests of the member countries to be observed and analysed.8

Examining GATT/WTO from the viewpoint of a negotiation organisation further leads up to the definition of the activities of the multilateral organisation as acts of diplomacy, within which negotiation or bargaining constitute one of the broad types of functions of diplomacy.9

I assume power, or bargaining power in the multilateral GATT/WTO negotiations to be relational or interdependent. Starting in the 1950s, the power-as-resources approach in power analysis, which

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9 Representation, information exchange, protection of citizens and commercial and legal interests, promotion of economic, cultural and scientific relationships and policy preparation or policy advise constituting the other diplomatic functions. Jönsson (2002), p. 215.
is viewing an actor’s power as determined by its aggregate resources and capabilities, has become increasingly replaced by the relational or interdependence power approach, viewing power “as an actual or potential relationship between two or more actors (persons, states, groups, etc.), rather than a property of any one of them.” In the relational or interdependence paradigm, power is considered being a type of causation “…conceiv[ing] power as a relationship in which the behaviour of actor A at least partially causes a change in the behaviour of actor B.” This approach is particularly useful “for analysing negotiation relationships, since in negotiation each actor is dependent upon the other to the extent that each can unilaterally withhold an agreement, prolong the process, or even end it.”

Furthermore I assume that the power, or bargaining power of the developing countries in the GATT/WTO negotiations is asymmetrical, in line with the reasonings of Zartman and Rubin and Habeeb, in this case meaning that the developed countries in general are in a relatively more powerful position when it comes to equipment of resources or capabilities, as compared to the developing countries. Traditionally the game theoretical approach assuming symmetrical relations when it comes to resources and capabilities has been applied to studies of negotiations, since aggregate structural power typically has been considered the only determining factor for causing a result. But here “…[the] issue is ‘the power of the weak’ – the observation that the ‘stronger’ party does not always ‘win’ in asymmetrical negotiation encounters.”

Finally, I assume that there exists a positive correlation between increased power, or bargaining power of the developing countries in the multilateral trade negotiations, and the pursuit of more development oriented policies, which in their turn can promote economic development and be used as instruments for achieving the MDGs. In practise this might, however, not be the case, since the policies of the developing countries are not always considered to be promoting economic development.

**Theoretical approach**

Keeping the conceptual perspectives and assumptions in mind, the theoretical approach to the subject is subsequently defined in order to be able to answer the research questions, and thereby also hopefully fulfilling the aims of the study.

**Bargaining power in theory**

Multilateral (trade) negotiations are, as previously mentioned, considered a very complex phenomenon. “Multilateral negotiations raise the problem of managing complexity for practitioners and theorists alike. ‘The more the messier’…” Conceptualising and measuring power is in its turn a very difficult undertaking. The combination of difficulties of managing

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16 Baldwin (2002).
complexity as well as conceptualising and measuring power, has made me decide not to apply the concept of power as defined by e.g. Habeeb in his studies of asymmetrical negotiation: “the way in which actor A uses its resources in a process with actor B so as to bring about changes that cause preferred outcomes”\(^1\), but rather the more open definition as defined by Zartman and Rubin in their writings on asymmetrical bargaining: “an action by one party intending to produce movement by another”.\(^2\) The latter description leaves out the notion of both resources and outcome, which I find suitable in this case, since firstly, the cause of power might not necessarily be attributable to a party’s resources, and secondly, it is very hard to trace and measure the actual outcome of a certain negotiation in the GATT/WTO. E.g. an outcome of a negotiation might be that a certain article is adopted and put in writing into the Declaration, but this does not automatically mean that any practical implementation of the substance in the agreement takes place in a foreseeable future. What is then the actual outcome? The definition used by Zartman and Rubin is more succinct and less conclusionary, it focuses on the purposeful action, and leaves space for the researcher to study both the causes and results of a certain power relationship more freely.\(^3\) The nature of this definition is consequently more appropriate for this thesis, which is aiming at giving a broad picture of general tendencies of actions, results and likely causes, rather than giving an exact measure and account of the outcomes and power sources causing the possible change in power relations between developing and developed countries.

The power measurement problem can, however, be somewhat avoided by defining *scope* and *domain* of the negotiations. “The idea that a meaningful specification of a power relationship must include scope and domain is widely shared by power analysts committed to social scientific inquiry.”\(^4\) In this thesis, scope refers to the actual *issue* being negotiated, and domain refers to the actual setting in which the issue is bargained i.e. the GATT/WTO multilateral trade negotiations.

In other words, *issue-specific power* or *issue power* will be considered the decisive component for determining the power relations in the GATT/WTO negotiations: “…first judgements of relative power are made on the basis of each party’s aggregate power…But a negotiation is about specific issues and interests, and the crucial power question for each side is; What resources and devices will influence the other side on the specific issues under discussion?”\(^5\) Habeeb is using the terms *issue-specific structural power* and *behavioural power*, the first describing the resources of an actor in the context of a specific issue, the latter implying that an actor’s tactics (such as coalition building) can add a dynamic element to the negotiations in order to change the structural *issue power balance*.\(^6\) I will, however, use the terms issue-specific power or issue power more broadly, meaning that I recognise that an actor’s issue power can be influenced by its resources and tactics, but I also perceive that it can be affected by other factors such as e.g. the parties’ values and norms, and by the extent of civil society participation in the issue-specific negotiations.

In sum, the first research question: *Have the developing countries gained more power in the multilateral trade negotiations?* (independent variable) will be answered by observing the bargaining power through the “…action by one party (developing countries) intending to produce movement by another (industrialised country)”, limited to the scope of issue-specific defensive and offensive interests of the developing countries, which are negotiated over time within the domain of the GATT/WTO negotiations. Results (rather than actual outcomes) will, in other words, be

19 Ibid. pp. 8f.
20 *Scope* meaning that an actor’s power can vary from issue to issue, *domain* meaning that an actor can be more powerful in one setting as compared to other settings. Baldwin (2002), pp. 178f.
determined by the extent to which it can be documented that the developing countries have been able to influence the GATT/WTO agenda over time (agenda-setting).

**Explanatory theories**

The second research question: *How can this be explained?*, presuming it arises, will be answered with the help of the following potentially explanatory theories (dependent variables).

**Neo-realism**

Classical realists typically emphasise the importance of military resources or capabilities for determining a country’s power position. Neo-realists focus more on a country’s overall resources and capabilities for ranking countries’ status of power.\(^\text{23}\) They significantly adhere to the power-as-resources approach rather than to the relational or interdependent approach, and see the aggregate resources and capabilities of a country as decisive for exercising power.\(^\text{24}\)

As compared to the relational approach, which advocates a multidimensional and causal interdependency between actors, disaggregated into specific components such as scope and domain, neo-realists like Waltz claim that “The economic, military, and other capabilities of nations cannot be sectored and separately weighted…Their rank depends on how they score on all of the following items: size of population and territory, resource endowment, economic capability, military strength, political stability and competence.”\(^\text{25}\) Walz, however, to some extent also acknowledges interdependency between actors: “I offer the old and simple notion that an agent is powerful to the extent that he affects others more than they affect him.”\(^\text{26}\)

In neo-realism, economic and other resources and capabilities are considered important, but still subordinate to military might.\(^\text{27}\) In trade negotiations, it is, however, unclear whether military strength has any significant impact on the bargaining power of the parties.\(^\text{28}\) It is rather more fruitful to focus on economic resources and capabilities for measuring power in the multilateral trade negotiations. According to Odell, the most coherent indicator for measuring economic resources and capabilities, i.e. *trade power*, in the GATT/WTO negotiations is the market share of world goods imports. “One prominent objective of each negotiating government is to increase its country’s exports. If so, the larger the import market a government commands, the more it has to offer or threaten to withhold, as a way to induce concessions from others in market access talks.”\(^\text{29}\) Many scholars, however, also use the market share of world exports as an indicator of trade power, which made me take both measures into account.\(^\text{30}\)

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\(^\text{29}\) Odell, J. S. (2005), *Developing Countries in the Doha Round: Improved Negotiation Capacity but limited Gains after Three Years*, Prepared for the Workshop on Developing Countries in the Doha Round, Griffith Asia Pacific Research Institute, Griffith University, Brisbane, 11-12 August 2005, p. 6.
Rational choice

Another suggested cause for the potential change in power in the GATT/WTO negotiations, in favour of the developing countries, can be found in rational choice theory. Rational choice is the “methodological approach that explains both individual and collective (social) outcomes in terms of individual goal-seeking under constraints”.

According to the rational choice theory of collective action, individual states choose to cooperate out of self-interest in order to gain benefits from the exclusive collective good, which is limited to the group members, as compared to the inclusive collective good (e.g. air) which is available to all states independently of cooperation or not. Due to the assumed asymmetrical power relationships between developed and developing countries, a strategy for increasing bargaining power for developing countries is to cooperate in coalitions. It becomes a way for developing countries to compensate for ‘internal imbalances’, i.e. various resources or capability constraints, through ‘external balancing’ arrangements. In line with the previous reasonings of Habeeb, coalition building would here be an exercise of behavioural power in order to change the structural issue power balance. Cooperating in coalitions is also a method of reducing complexity in multilateral negotiations.

In a broad sense, coalitions are based on two foundations. They can be based on issue-specific interests (alliances) or on idea/identity-specific interests (blocs). The issue based coalitions are generally characterised by a superiority in pursuing offensive interests, whereas the coalitions based on ideas and identity are usually more advantageous in bringing about defensive interests, since “Alliance-type coalitions offer the advantage of being able to include new members without concerning themselves about whether the potential entrant is sufficiently like-minded or not, and can also include new deals and issue linkages without fearing that this might compromise the ideology of the group. Blocs, in contrast, are likely to be best at proposal-making and blocking, that is processes which do not challenge the collective idea or identity of the group through carrots offered to individual members.”

Normative political theory

In normative political theory, the significance of ideas, values, ethics and moral in e.g. negotiations and multilateral institutions is examined. It is an approach, which has been widely contested and opposed by positivist empirical approaches for a long time, but has during the last two decades become revived in studies of politics. Normative political theory means studying what “should be”, rather than what “is”, but is emphasising that normative empirical research of today is aiming exactly at “showing how the ‘ought’ becomes the ‘is’”. Empirical research

33 A coalition is defined as ‘any group of decision-makers participating in… a negotiation and who agree to act in concert to achieve a common end.’ It includes all activities of cooperation with an aim at achieving a specific interest, and excludes activities of incidental cooperation or long-term harmonic games. It implies conscious coordination.
37 The formation of coalitions around ideas and identity is closely related to the normative political theory approach explained in the next section.
38 Compare Narlikar (2003), p. 32.
documents again and again how people’s ideas about what is good and what ‘should be’ in the world become translated into political reality.”

Multilateral institutions are seen as normative structures, which are based on certain norms, institutions and rules that regulate and structure the interaction between the members. The study of the historical dynamic change over time in these structures is highly emphasised in normative political theory. Norms are considered essential for determining how actors are constituted, their identities and for understanding the basis for their preferences. Moreover, norms are not only considered a constraint, but are also seen as enabling and empowering an action. “They enable not only by making collective action easier but also by creating forms of activity.” Zartman would similarly argue that norms influence the result of a negotiation, and can thereby be a tool for increasing the bargaining power of the weaker party in asymmetric power relations.

The study of contemporary normative political theory is strongly influenced by the works of Rawls’s “A Theory of Justice”. The concepts of justice and fairness are accordingly central points of departures when discussing the constitution, identity, constraints and empowerment of a normative structure. The definition of justice and fairness is much disputed, but is usually involving components of legitimacy and/or egalitarianism. Hence, Narlikar is using the two terms legitimacy and distributive justice in line with the reasonings of Franck, for examining the development of the normative structures of the, amongst others, GATT/WTO over time. According to Narlikar justice and fairness can be assessed either in terms of the extent to which activities are in line with the stated aims of the multilateral institution and accepted by its members and other stakeholders like civil society (legitimacy), or by the extent to which activities lead to an equitable distribution between members (distributive justice). Justice and fairness always need to be determined by who the actual negotiating parties are, and by the specific context within which the negotiation takes place (domain).

**Transnational actors**

Global governance refers to the “above the nation-state level” governance in a globalised and interdependent world, in lack of an international government. Its purpose is to fill in where national governments are insufficient in tackling issues of global concern. Global governance can be exercised in formal structures, but also in more informal arrangements, and is constituted by different non-state transnational actors. Transnational actors can be multinational corporations,

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but is in global governance literature rather referring to various types of NGOs, often with outspoken normative agendas involving justice and equity concerns.\textsuperscript{47}

NGOs are part of civil society\textsuperscript{48}, and are traditionally separated into two groups: operational and advocacy. Operational NGOs are generally formally organised and often contracted by the multilateral organisations for carrying out specific tasks. They are less political than the advocacy NGOs, which are usually more informally structured and strongly driven by influencing the agenda of decision makers by different means. The distinction between operational and advocacy NGOs are in practise, however, hard to make.\textsuperscript{49}

According to many scholars, NGOs are considered contributing to democratisation through improving transparency and increasing the knowledge base of the global society. They contribute to “democratic governance of the global economy”\textsuperscript{50} through increasing the transparency of governing authorities, enhancing public accountability through citizen monitoring, and enhancing representation of the marginalised poor, women, and rural areas.” NGOs are seen as active in pushing for their own and other actors’ participation in multilateral negotiations and for public openness, and they are regarded as being skilled in providing “ideas and issue expertise” and “excel at popular education”.\textsuperscript{51}

\section*{Method}

\textit{Comparative qualitative method}

In order to say something about weather the developing countries have increased their power in the GATT/WTO negotiations, and in that case, how this can be explained, the historical development of the developing countries’ bargaining power needs to be examined. According to Sjöstedt G., it is important to look at the whole process when studying a phenomenon in the GATT/WTO – to presume a process perspective. ”A process perspective on the WTO negotiations can comprise incidents, individual countries, personalities and institutional issues, or describe a certain phenomenon. It has, however, to take place within a framework of a clearly defined development pattern from earlier stages of the negotiation, which continues towards the future.”\textsuperscript{52} It is essential to look at the GATT/WTO negotiations as a continuous process for at least two reasons. “Firstly, these institutions can in times of globalisation go through fast and far-reaching changes, which do not happen at a single occasion, but gradually take place during a succession of years. Secondly, it is important to pay attention to such gradual changes as early as...
possible. This applies to both companies, which want to know the conditions for its future international trade, as well as to a government that wants to shape a long-term strategy for its trade policy.\textsuperscript{53}

Since I, in line with the reasoning of Sjöstedt, apply a process perspective in order to be able to answer my research questions, this thesis naturally becomes a comparative study.\textsuperscript{54} The results and surrounding factors of the GATT/WTO negotiations from the Tokyo round, Uruguay round and up to the ongoing Doha round, will accordingly be compared over time.

This study is based on a fairly deductive method.\textsuperscript{55} It is deductive in the sense that the theories applied in this thesis are to a large extent proceeding from a tentative preconception of the subject, and were tested during the actual empirical research, both by being suggested to the interviewees, as well as being tested through literature studies.

The empirical findings and the analysis in this thesis are furthermore mostly based on qualitative data.\textsuperscript{56} Only in certain cases the qualitative information is complemented by quantitative data. I consider the qualitative method being the best suitable approach for answering my research questions, since the results and surrounding factors of the GATT/WTO negotiations are very hard to quantify, if at all possible. This is also commented by Odell and Ortiz Mena in their work on trade negotiations and developing countries:

The outcome of an international negotiation is either an impasse or an agreement between governments. The outcome refers to the terms of the official agreements themselves rather than what states gain through trade later. The value of an outcome to a government varies by degrees rather than simply between success and failure. Gains and losses are almost impossible to measure precisely, however, even in trade. Some negotiations end with agreement on an agenda for another negotiation, so that the ultimate value of a gain in agenda formation – keeping an item out or getting one in – depends on later events. Some outcomes take the form of changes in international rules, and efforts to forecast their effects carry inherent uncertainty. Some final gains and losses are intangible. We classify and compare outcomes qualitatively.\textsuperscript{57}

The qualitative information is gathered from both first and second hand sources. The first hand material is mainly building on interviews\textsuperscript{58} carried out in Geneva and in Stockholm from February to September 2005. The interviews can, however, also constitute second hand material depending on whether the respondent itself is, or has been involved in the GATT/WTO negotiations (first hand), or if the respondent is solely following the negotiations from a distance and is not personally participating or observing the negotiations on site (second hand). In many cases, the interviewees have the roles of both first hand and second hand sources, since they both have experience from participating or observing the negotiations on site, as well as following the negotiations from a distance. The first hand material in this thesis also consist of documentation published by the WTO and the Swedish Ministry for Foreign Affairs. Other second hand sources consist of academic books and reports, newspaper articles and websites.

\textsuperscript{53} Ibid.


\textsuperscript{55} For a distinction between deductive and inductive method see ibid., p. 14.

\textsuperscript{56} The qualitative method is described in ibid., pp. 137ff.


The interviews were conducted in a semi-structured\(^\text{59}\) manner, where some questions were posed to all respondents, and some questions only to some of the respondents, depending on which specific role or function the interviewee had. The interviews carried out in Geneva involved representatives from the Permanent Mission of Rwanda and the Permanent Mission of Sweden, an employee at the WTO-Secretariat and representatives from the NGOs International Centre for Trade and Sustainable Development (ICTSD)\(^\text{60}\) and Focus on the Global South\(^\text{61}\), which are represented on site. In Stockholm representatives from the Swedish Ministry for Foreign Affairs, Swedish International Development Cooperation Agency (Sida), National Board of Trade, and the NGOs Forum Syd and Attac Sweden were interviewed. The specific questions asked are based on my two research questions, and can be found in Appendix I at the end of the thesis.

Using interviews for gathering and selecting my empirical material, I consider the most suitable choice of method, since the subject, as far as I know, has not been studied in this over-arching, broad and contextual perspective before. The majority of the research carried out regarding developing countries in the multilateral GATT/WTO negotiations is not so much concerned with the negotiation process, and if it is, it is examining a rather narrow and specific phenomenon within the negotiations, like for example how weak nations bargain with strong,\(^\text{62}\) or how coalition building is affecting the negotiation process.\(^\text{63}\) Instead researchers are predominantly focusing on studying the consequences of the GATT/WTO agreements for the developing countries, or how their trade capacity can be strengthened.\(^\text{64}\) By using interviews as method for gathering the empirical data, and as guidance for selecting the focal points and additional material, this negotiation process-oriented, over-arching information, which otherwise would have been very hard to obtain, has been feasible to collect.

**Problematisation of research method**

One of the disadvantages from building a large part of the thesis on interview based material, is that it is very hard to make a representative selection of respondents, who together can give a sufficiently comprehensive and nuanced picture, leading up to adequate answers of the research questions. Still, I have tried to make the selection as all-embracing as possible, limited to the time I had to my disposal, and the response I got from the organisations I contacted. In Geneva I only had recourse to one day, during which I tried to accomplish as many meetings as I could, representing as diverse perspectives as possible. With short notice, I contacted permanent missions of both big and small developing countries, I contacted several permanent missions of industrialised countries, the WTO-Secretariat, and quite a few NGOs on site. The response was relatively good, and due to lack of time I unfortunately had to decline some of the representatives’ offers to meet. Based on these circumstances, the selection of interviewees resulted in interviews with one developing country and one industrialised country, one interview with the WTO-Secretariat and two interviews with NGOs. The member countries Rwanda and Sweden respectively, here represent a developing country and developed country perspective on

\(^{59}\) When conducting a semi-structured interview, the interviewer has a list of questions that should be asked and responded to, but the researcher is also prepared to be flexible when it comes to the order of posing the questions, and is also prepared to let the respondent develop its ideas and speak more freely around the issues raised. The answers are open-ended, which allows for more elaborative space for the interviewee, as compared to a structured interview, but is, however, more controlled than an unstructured interview. Denscombe (1998), pp. 112f.

\(^{60}\) For more information on ICTSD see [online] http://ictsd.net/.

\(^{61}\) For more information on Focus on the Global South see [online] http://focusweb.org/.


\(^{63}\) Narlikar (2003).

\(^{64}\) E.g. Swedish National Board of Trade (2004), Consequences of the WTO-Agreements for Developing Countries.
the GATT/WTO negotiations, the WTO-Secretariat represents how the WTO perceives the negotiations and gives a more neutral picture of the bargaining power of the developing countries. Finally, ICTSD and Focus on the Global South represent the more independent or critical perspective of the multilateral trade negotiations. Following the same structure, I have tried to find respondents in Stockholm characterising the governmental perspective by interviewing representatives from the Swedish Ministry for Foreign Affairs, I have tried to find the more neutral perspective at different research institutes and authorities like the National Board of Trade and Sida, and the more critical viewpoints at the NGOs Forum Syd and Attac Sweden. The distribution between government aspects, neutral perspectives and the more critical viewpoints is even, altogether mounting to four governmental interviews, four neutral and four critical. Unfortunately, the distribution is not as even when it comes to the representation of the voices of the developing countries.

All interviews took on average a little more than two hours in demand. Seven out of the twelve interviews have been tape recorded and transcribed on paper, one of them has been conducted by e-mail, three of them over telephone, and one of the interviews was carried out in a physical meeting, but was not tape recorded. During the last four interviews, however, thorough notes of the interviewees’ answers have been taken. The advantage of carrying out longer interviews is that they contribute to a depth and detail of information and thereby increase the validity of the thesis. The validity is also strengthened through the direct contact with the respondent, which makes it possible to control for accuracy and relevance of the information at the same time as the data is collected. Another advantage lays in that a large amount of data is comprised by first hand material, which furthermore increases validity. The disadvantage lays in that the particular context within which the interview takes place, the possibly inhibiting tape recording, and the interviewer effect, make the collected data less objective and lack therefore, in line with all qualitative research, in reliability. In other words, it would be hard for another researcher to repeat the interview at another occasion and get exactly the same answers. Due to the not entirely comprehensive selection of interviewees and the deficiencies in objectivity and reliability, it has therefore been essential to complement the interview based material with additional data from academic literature and reports, newspaper articles and websites. By using triangulation of various sources in this way, I hope to be able to give an adequate indication and explanation of the development of the bargaining power of the developing countries in multilateral trade negotiations.

Since the empirical interview based material is gathered from February to September 2005, it is unfortunately not covering the Hong Kong Ministerial in December 2005, and also not the results of the 2008 July Package. The reality of the multilateral trade negotiations of today is, however, not significantly deviating from the reality of the negotiations during the spring and summer of 2005, and should consequently not be affecting the validity and reliability of the interviews. A natural consequence of the time gap is, though, that the Hong Kong Ministerial and the latest July Package will not be subject to description and analysis from the interview based material, but will exclusively rely on second hand sources.

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66 The interviewer effect meaning that the respondents’ answers may be affected by the identity of the researcher. Ibid., p. 137.
67 Ibid.
68 Triangulation is the use of other researchers or other sources of information to confirm the results during a research process. Ibid., pp. 85f.
Delimitations

The thesis is limited to solely giving an introductory background, and a very broad overview of the three latest multilateral GATT/WTO rounds: the Tokyo round (1973-1979), Uruguay round (1986-1994) and the ongoing Doha round (2001- ). The major focus will be put on the more recent events, stretching from the Seattle Ministerial in 1999 until today, since the later development of the negotiations is the most interesting to study from the viewpoint of the purpose of the thesis.

Throughout the thesis, I will also try to limit the information from the multilateral trade rounds to focusing on the issue-specific defensive and offensive interests of the developing countries over time. The issue-specific interests of the industrialised countries will only be brought up if necessary for answering the first research question. Similarly, the changes in market shares, coalition building, norms and civil society participation will concentrate on the bargaining power of the developing countries and not the developed countries, when answering the second research question.

It is also of vital importance, again, to stress that the multilateral GATT/WTO negotiations are very complex. The negotiations are encompassing an enormous amount of issues, which in most cases are negotiated over a long period of time. It would therefore be impossible to bring up all issues and courses of events that have taken place in the GATT/WTO. I have chosen to solve this problem, by trying to extract the main issues and circumstances characterising the three rounds, which I hope will present a somewhat fair picture of the development of the negotiations, yet, not comprehensive. The relatively large number of interviews carried out, have been of great help and guidance in the process of selecting the relevant issues and occurrences.

Empirical findings

Background

By the end of the Second World War the industrialised countries started to formalise international trade in order to avoid protectionism and increase economic dependence. In 1946, together with the founding of the Bretton Woods institutions, the International Bank for Reconstruction and Development (IBRD or World Bank) and the International Monetary Fund (IMF), a paper on the establishment of an International Trade Organisation (ITO) was drafted, comprising a very ambitious agenda, not only involving trade in industrial goods, but also rules on primary products, services, employment, investments and economic development. It, however, turned out to become too difficult to agree upon the extensive agenda, and ITO was never ratified by the US. In 1947 the ITO was instead replaced by the GATT agreement, signed by 23 countries of which 11 was developing countries.

GATT was a simple agreement, by that time solely involving rules on tariff barriers for industrial goods, and was consequently excluding the economic development dimension which was originally included in the ITO draft. In contrast to the multilateral organisation ITO, GATT was institutionally weak. It had no possibility to legally press charges against an individual country, the

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dispute settlement mechanism was meagre, and the lack of organisational structure led to informal decision-making procedures, like the Green Room meetings\(^{71}\) which were deficient in transparency and to a large extent excluded developing countries apart from Brazil and India from taking part in the agenda-setting.\(^{72}\) The one-member-one-vote treaty of GATT also put great demand on negotiation capacities for each country, skills which the developing countries were missing due to lack of staff and resources.\(^{73}\) Agreements in GATT were building on the principles of *most favoured nation* (MFN), and of so called *contracting parties*, the first implying that all countries should be treated equally and full reciprocity should prevail, the latter meaning that agreements were made on a plurilateral basis, and would only apply to the parties actually participating in the negotiation. Since the issues of interest to the developing countries mostly concerned liberalisation in agriculture and textiles, and not in manufactures, they did naturally not find much relevance in GATT participation. "Before the Uruguay round the big issue in GATT was the reduction of tariff for industrial products, only. Also the concept called contracting parties: If you don‘t want, you are not a part of the agreement. That is why developing countries did not participate more before the Uruguay round."

During the 1950-1960 there were also little ideological incentives for the developing countries to participate in GATT. By this time the developing countries were pursuing more socialist oriented trade strategies of import substitution rather than liberal and export oriented policies. They protected their industries in order to build up their own industrial base, with an aim at diversifying their economies and decreasing dependency on manufactures from the developed countries. Many developing countries also had more favourable trade agreements with their former colonial powers than GATT could offer.\(^{75}\) Led by the dependency analyst Prebisch, the developing countries, through the Group of Seventy Seven (G-77)\(^{76}\) instead created their own forum for trade policies, UNCTAD, and in 1964 the first conference was held. The conference was calling for reform on trade procedures and the issues of interest to the developing countries,\(^{77}\) since the lack of the development dimension, weak and non-transparent institutional structure, and the self-imposed exclusion of the developing countries together with the principle of contracting parties had led to that “the areas where the developing countries had interests, no negotiations were conducted, and in the areas where the industrialised countries had interests, there the developing countries did not need to participate very much.”\(^{78}\) Issues of interest and great importance to the developing countries were accordingly left out. “The developing countries enjoyed being free-riders, the price they had to pay was that the export possibilities for textiles was limited, and that nothing happened within agriculture.”\(^{79}\) Developing countries’ trade exports as a share of total world exports declined from 34,0 percent in 1950 to 24,5 percent in

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\(^{71}\) Informal meeting procedure applied in the GATT/WTO, only involving the most important countries in a negotiation, based on invitation. The informal decision procedure will be discussed further later in the thesis.

\(^{72}\) Brazil and India have always been strong and leading developing country participants, and regular invitees to all meetings in the GATT/WTO. Narlikar (2005), p. 18.

\(^{73}\) Ibid., pp. 15ff.


\(^{76}\) Originally a group of 77 developing countries, but currently comprising 130 developing country members. UN (2009), *Member States of the Group of 77*. Available [online]: [http://www.g77.org/doc/members.html](http://www.g77.org/doc/members.html).


1960, and the share in imports decreased from 29,6 to 25,3 percent.\footnote{UNCTAD (2008), Handbook of Statistics. Value and shares of merchandise exports and imports, excluding economies in transition. Available [online]: http://stats.unctad.org/handbook/ReportFolders/ReportFolders.aspx?CS_referer=&CS_ChosenLang=en.} UNCTAD, however, managed to succeed in establishing the GATT Committee for Trade and Development in 1964, and an additional paragraph, on trade and development was added to GATT in 1965, both of which became the basis for promoting issues of interest to the developing world in GATT.\footnote{Swedish National Board of Trade (2004), p. 30.}

\textbf{Tokyo round 1973-1979}

In the Tokyo round, the agenda was broadened from involving tariff barriers to also including, among other things, anti-dumping\footnote{Anti dumping measures had already been included in the Kennedy round 1964-1967. Ibid., p. 26.}, subsidies and countervailing measures, technical barriers to trade, customs valuation, import licensing procedures and government procurement.\footnote{Winham, G. R. (1986), International Trade and the Tokyo Round Negotiation, New Jersey: Princeton University Press, Appendix B, pp. 417-424.} The principle of contracting parties, however, prevailed and was even strengthened. This resulted in that the developing countries continued claiming exceptions and did not sign most of the new agreements in the round, and the expression “GATT à la carte” – implicating that everybody could pick what they wanted from the offered menu – was coined to illustrate the practical operation of the agreement.\footnote{The enabling clause on SDT was inspired by the Generalised System of Preferences (GSP) negotiated in UNCTAD in 1971, allowing for developed countries to unilaterally give duty-free entries (preferences) for certain products from developing countries. In GATT, GSP was uniformed and institutionalised under SDT. See Winham (1986), p. 144.} Additionally, in 1979, through the “enabling clause”, the principle of \emph{special and differential treatment (SDT)}\footnote{Swedish National Board of Trade (2004), p. 27.}, permitting developing countries to make exceptions from the MFN principle and demand non-reciprocity, i.e. lesser commitments in the negotiations, was institutionalised. The clause especially highlighted the importance of taking the concerns of the least developed countries into consideration, allowing the LDCs to only make commitments, which are compatible with their own degree of development and capacity.\footnote{Swedish National Board of Trade (2004), pp. 38f.} The effect of the principle of contracting parties, which made it possible for developing countries to only partially participate in the GATT, together with the enabling clause on SDT, created a two-class division between the industrialised countries, which participated offensively and made commitments, and the developing countries which generally were taking on a defensive approach:

In the Tokyo round, the developing countries had been offered market access, but they had not themselves bound their tariffs. This due to the developing countries only wanting exceptions. This pursued policy thus also led to that two of the important areas for developing countries were excluded: Agriculture and textiles. The developing countries could have resisted this, but this was not done since they did not have anything to offer in return. It is interesting to consider the contrafactual: What would have happened if the developing countries had said no?\footnote{Interview with Lars Anell.}

During the Tokyo round most developing countries continued adhering to the strategy of confrontation with the industrialised countries, and continued pursuing their own trade policies in forums outside of the GATT, like UNCTAD. The developing countries had proved to be powerful in trade in primary products, as the industrialised countries were dependent on input factors for their production of industrial goods. Their power was in particular proved during the oil crisis, where the Organisation of Petroleum Exporting Countries (OPEC) managed to exercise
control over oil supply and prices. Industrialised countries’ vulnerability to developing countries supply and price control of raw materials strengthened the confidence of the developing countries, and led to G-77 launching the initiative New International Economic Order (NIEO) through UNCTAD, where the intention was that developing countries should use their new bargaining power to influence the GATT trade agenda in favour of developing countries. NIEO needed unity among the developing countries to control primary product supply and prices and thereby changing the existing economic order. This, however, proved to be difficult since the oil producers preferred not to integrate with other raw material suppliers, and some developing countries, in particular the Asian tiger economies South Korea, Taiwan, Hong Kong and Singapore, were already diversifying away from production of primary products into industrial goods. After some successes in creating primary product agreements and the inclusion of SDT in the GATT agreement, the heterogeneity finally made it impossible for developing countries to unite and exercise their bargaining power, resulting in that NIEO was abandoned. 88

As already mentioned, some developing countries, especially the Asian tiger economies, had started to move up the value ladder producing industrial goods to a larger extent than before. This was to a large extent the result of these countries turning away from strategies of more socialist and inward oriented strategies of import substitution, towards more liberal, outward and export oriented trade strategies. From 1970 to 1990, the share of industrialised goods in developing countries’ exports increased from 23,7 percent to 57,5 percent, and accounted for 32 percent of world manufactured exports in 1993. 89 This development made more and more developing countries starting to recognise the advantages of trade, and participation in the GATT negotiations became of greater importance, gradually at the expense of the earlier preferred forum for pursuing trade policies, UNCTAD. By the end of the Tokyo round developing country membership in GATT increased to 17 out of in total 102. 90 From the 1960 to the beginning of the 1980s developing countries’ share in world exports rose from 24,5 to 29,4, and imports increased from 25,3 to 25,4. 91 The increased exports in manufactures from developing countries, however, posed a threat to the industrialised countries, especially in the field of textiles. Accordingly, in 1974 the Multi-Fibre Arrangement (MFA) 92, which restricted trade in textiles from developing countries to industrialised countries through quotas, was established. It was meant to be a temporary safeguard measure for the developed countries to adjust to the increased competition from the developing countries, but turned out to become institutionalised until 2005, with serious limitations on the export opportunities for in particular LDCs as a consequence. 93

**Uruguay round 1986-1994**

During the 1980s the pragmatism continued. Developing countries focused more and more on export orientation, and the classical socialist-capitalist divide in the world weakened. The cold war entered its final phase in 1989, and the GATT had to identify a new *raison d’être*, which was, in the first place, no longer associated with antagonism towards states endorsing a sceptical view towards trade as an engine of growth. GATT now rather had to build on its own merits and the

89 Ibid., pp. 245f.
91 UNCTAD (2008), *Handbook of Statistics*. The import figure for the beginning of the 1980s is based on an average of the given figures for 1980-1984, since the data for the year 1980 was not representative for the indicated trend.
93 Ibid.
need for regulation of the rapidly increasing international trade flows.94 Yet, developing countries changing their comparative advantages and moving up the value ladder, became subject of dispute in the GATT in different ways. Industrialised countries urged the Asian tiger economies to stop “making use of provisions available to developing countries” through the use of SDT, and claiming that they should graduate from SDT and instead declare themselves developed countries and assume adherence to the MFN principle.95 Furthermore, the increased competition from developing countries in textiles and clothing led to that in 1986, 61 percent of textiles and 78 percent of clothing were exposed to restrictions in imports. All in all, in 1987, 47 percent of all arrangements regarding export restraints in GATT applied to developing countries’ exports.96 During 1980-1990, developing countries’ exports declined from 29,4 to 24,3 percent, and imports decreased from 25,4 to 22,3 percent of world imports.97

In the beginning of the 1980s, the industrialised countries, in particular the US, was calling to launch a new round of trade negotiations. The aim of the round was for the US to bring in new issues on the multilateral trade agenda; agriculture, services, and rules on intellectual property and investments.98 The leading developing countries such as India and Brazil, initially opposed the launch of a new round, perceiving it would only lead to more and stronger commitments in GATT for developing countries. The fact that developing country exporters of manufactures had increased their market share in trade, however, made the trade negotiations interesting for some developing countries.99 The import restrictions imposed by the industrialised countries on developing countries’ exports in textiles, additionally made the large textile producers like Bangladesh and India, together with the South East Asian countries, starting to ally themselves and offensively push for liberalisation in textiles and clothing in GATT. Offensive participation by developing countries in the multilateral trade negotiations was moreover realised by the potential inclusion of the other issue of interest to the developing countries, agriculture. The inclusion of agriculture in GATT – although initiated by the US – was driven by the so called Cairns Group100, which was the first established formal coalition in GATT. The coalition was formed in 1986 and consisted of agricultural exporters from both industrialised and developing countries, sharing a common interest in liberalising trade in agricultural products. Although Cairns Group was led by Australia and Canada, Brazil and Argentina took on important roles in the negotiations.101 Developing country membership in GATT consequently increased to 46, out of in total 123 member countries.102 In the end, India and Brazil – regarding themselves as spokespersons for developing country interests – had to accept the launch of what became the Uruguay round. For the first time it had become clear that developing countries had differing interests in the trade negotiations, depending on their degree of development, economic structure and political and social objectives. It was no longer possible for developing countries to represent a unified developing country position based on ideology and confrontation – as had been the case during the times of NIEO and UNCTAD – rather a pragmatic issue-specific interest approach started to evolve.103

India’s and Brazil’s perceived fears of more and stronger commitments in the GATT for the developing countries, nevertheless, later proved to materialise. Simultaneously as some developing countries were changing their comparative advantages, this also pertained to the industrialised countries. Services had become a larger part of the developed countries’ economies, and a rising need for trade related rules on intellectual property and investments was pressing. The General Agreement on Trade in Services (GATS), Agreement on Trade-Related aspects of Intellectual Property rights (TRIPS), and on Trade-Related Investment Measures (TRIMS) all became included in the Uruguay round, thereby adding two new pillars (GATT being the first pillar) regarding services and intellectual property to the negotiations. These agreements had, however, “been conceded by many countries with deep reluctance, and only after securing tightly limiting conditions on the negotiating mandate and on the way in which the negotiations would be handled.” Services, intellectual property and investment measures had so far been considered matters of national sovereignty and also “tended to range developed against developing countries.” Developing countries were still facing severe resource and capacity constraints, due to lack of permanent mission representations in the GATT and inexperience in negotiations. The inclusion of additional new issues in the multilateral trade negotiations would risk increasing the burden on, for many developing countries, already scarce and strained resources and expertise. Developing countries generally took on a defensive stance in the new issues, but negotiations in the Uruguay round were, nonetheless, still conducted with the preconception that the principle of contracting parties and the possibilities of exceptions in line with SDT would prevail. Developing countries accordingly applied different strategies and commitments to varying degrees in these issues, depending on their national interests. Some developing countries negotiated and made commitments, especially in the field of services, while others did not. The developing countries’ opposition against TRIPS remained, however, quite homogenous.

By the end of the Uruguay round negotiations in 1993, it was all of a sudden decided that all GATT agreements should apply to all member countries through the single undertaking. The principle of contracting parties was consequently abandoned ‘overnight’. Not only the issues negotiated in the Uruguay round were multilateralised, but so were all previously negotiated agreements. Additionally, developing countries were not given much SDT. “In one hit, everything was changed…all agreements are in principle multilateral…all countries are committed to all agreements. I do not think all countries realised this…it went so fast.” Agreement on the single undertaking was made possible through industrialised countries’ concessions in agriculture, committing themselves to a 20 percent reduction in agricultural subsidies by the year 2000, and in textiles, where it was agreed that quotas negotiated under the

106 Ibid.
111 Interview with Peter Kleen.
MFA should be eliminated over a ten-year period. These concessions were given in exchange for developing countries’ agreement on the broadening and deepening of the trade agenda with respect to the new issues. The rationale behind the multilateralisation was to make the trade system more non-discriminatory and transparent, which would bring insight into all processes. Uniform rules applying to all member countries would also make it possible to strengthen the dispute settlement mechanism.

In the Uruguay round it became clear that the developing countries, which had not participated were the main losers. In the end of the round they found themselves committed to agreements, which they all the way through the negotiations had thought they could exclude themselves from. Developing countries were heavily burdened by the implementation of the unexpected new commitments in TRIPS and GATS, due to their weak administrative capacity, and the industrialised countries compensation for this, proved in practise to be meagre. Within textiles, industrialised countries more or less postponed the quota liberalisations to the end of the phasing-out period in 2005, instead of proportionately and continuously eliminating the quotas over the agreed ten year period. In agriculture, liberalisation showed to be even poorer, where reductions in subsidies were instead replaced by tariffs – often leading to higher levels of protection than before the Uruguay round.

The general process for agenda-setting and reaching agreements in the Uruguay round might, however, be able to explain some of the confusion caused by the sudden agreement on the single undertaking, and the unexpected implications of the negotiated deal. The process of decision-making in the GATT/WTO derives partly from GATT’s Principle Supplier Principle (PSP), recognising the need for informal meetings between the principle negotiating parties in order to increase efficiency in the multilateral trade negotiations. In the informal meetings, like the Green Rooms, most initiatives, proposals and packages are decided. They are, however, based on secret invitation and tend to be over-represented by the strongest developed countries, usually the traditional Quad-countries: the US, Canada, the EU and Japan. Developing countries have always been represented in the Green Room meetings, constituting about half of the 35-40 participants, but not all parts of the developing world have been invited, which in particular applied to African countries. “Many African countries did not have permanent missions in Geneva. Africa felt excluded. Africa also did not matter in world trade. In sum this [the exclusion] was a gist of weak representation and no role in world trade.” Partly as a reaction on this, by the end of the Uruguay round, the first significant lobbying from developed country NGOs, focusing on promoting developing countries’ interests and increasing their participation in GATT, evolved.

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113 Interview with Peter Kleen; Hampsson (1995), p. 246
117 Narlikar (2005), pp. 45f.
119 Interview with Lars Anell.
Seattle Ministerial 1999

In 1995 GATT had been replaced by the WTO. The reason for turning GATT into an international organisation was to put the expanding international trade system on a more legally solid ground, and to increase legitimacy. WTO now realised the old ambition of becoming the third pillar of international economic cooperation, next to the World Bank and IMF.\(^\text{121}\) The aim of the Seattle Ministerial was, in its turn, to prepare the launch of a new round of trade negotiations, based on the issues previously agreed upon in the Uruguay round, the so called built-in agenda. Industrialised countries, however, additionally suggested the inclusion of negotiations on labour and environmental standards, as well as the Singapore issues, encompassing trade and investment, competition policy, transparency in government procurement, and trade facilitation. The developing countries strongly opposed the inclusion of additional issues, claiming that they in practice did not gain much from the previous round, and negotiations should continue focusing on implementation of the built-in agenda until old issues, like agriculture, were satisfactorily resolved.\(^\text{122}\) This viewpoint was also strongly shared by the many NGOs, which recently had started to analyse and advocate developing countries’ interests. When the NGOs showed up at the Seattle Ministerial for demonstrating and protesting against WTO in its current form, the slogan typically went: “No new round turnaround”\(^\text{123}\). Though, the groups of NGOs attending the Seattle Ministerial were quite heterogeneous. Some were pushing for environmental and labour standards to be included, in order to give WTO “a more human face”. Many put demands on democratisation and increased external transparency through allowing NGO participation in the WTO, as well as larger and faster publication of and public access to WTO documents. Some NGOs were more cooperative and wanted to improve WTO within the existing system, whereas others used more aggressive, or even violent, methods and wanted to destroy it.\(^\text{124}\) But in general, NGOs advocated greater concerns for developing countries’ interests and needs in the negotiations, and condemned the internally non-transparent and systematic exclusion of many developing countries from the decision-making process in the WTO.\(^\text{125}\)

The losses incurred by the previous lack of participation in the negotiations had turned participation into a major issue for the developing countries in the preparation of the new round, now submitting 117 of the 230 proposals during the process of agenda-setting for the ministerial.\(^\text{126}\) Yet, during the actual ministerial – partly due to very bad organisation of the meeting – the same informal and excluding procedures prevailed. By the end of the meeting the situation became untenable, and the following press release from the African trade ministers was circulated:

There is no transparency in the proceedings and African countries are being marginalised and generally excluded on issues of vital importance for our peoples and their future. We are particularly concerned over the stated intentions to produce a ministerial text at any cost including at the cost of procedures designed to secure participation and consensus.

We reject the approach that is being employed and we must point out that under the present circumstances, we will not be able to join the consensus required to meet the objectives of the Ministerial Conference.\(^\text{127}\)

\(^\text{121}\) Interview with Peter Kleen; Reiter & Jönsson (2002), p. 129.
\(^\text{122}\) Spero & Hart (2003), pp. 106f, 258f.
\(^\text{123}\) Interview with Maud Johansson, Head of Policy Department, Forum Syd, Stockholm: 27 June 2005.
\(^\text{124}\) Spero & Hart (2003), pp. 103f, 106.
\(^\text{125}\) Interview with Maud Johansson.
The statement was later followed by similar declarations from the Latin American and Caribbean group. The heavy NGO demonstrations, the bad organisation of the meeting, the quite uniform developing country opposition, together with strong disagreements between the US and the EU eventually led to a break-down of the ministerial. Yet, developing countries’ exports increased from 24,3 to 31,9, and imports from 22,3 to 28,8 as a share of total world trade during 1990-2000.

**Doha round 2001-**

After the collapse in Seattle, negotiations were resumed at the Doha Ministerial in 2001. Developing countries, which still opposed a launch of a new round of trade negotiations comprising new issues, were continuously excluded from informal meetings, and were exposed to blackmailing and ‘arm-twisting’ through developed countries’ threats or bribes to either withdraw or increase foreign assistance. “I am completely convinced that a lot of this [arm-twisting] took place. We, ourselves, heard delegates talking about it.” In the end, India was the only country still resisting the launch – all other developing countries had been bought off by bilateral deals. And the new round of trade negotiations was a fact. The launch resulted in the inclusion of the controversial Singapore issues in the Doha Declaration, so that the EU and the US could be paid once more for their already negotiated agreement on phasing-out their agricultural subsidies. “The mandate in the Doha round [regarding liberalisations within agriculture] is actually a continuation of where one started off in the Uruguay round. What one is trying to agree upon in the agriculture negotiations was already part of the Uruguay round.” NGOs considered the opening of the new round a major failure from a development perspective. “Developing countries were back on square one again.”

The industrialised countries’ ignorance towards developing countries’ demands was, however, to some extent compensated by the placement of developing countries’ needs at the centre of what became known as the *Doha Development Agenda* (DDA). The Ministerial Declaration states the following:

*The majority of WTO Members are developing countries. We seek to place their needs and interests at the heart of the Work Programme adopted in this Declaration...we shall continue to make positive efforts designed to ensure that developing countries, and especially the least-developed among them, secure a share in the growth of world trade commensurate with the needs of their economic development.*

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131 Interview with Maud Johansson; See also Jawara, F. & Kwa, A. (2004), *Behind the Scenes at the WTO: The Real World of Trade Negotiations – the Lessons of Cancun*, Chapter 4, pp. 81-113.
132 Interview with Maud Johansson.
133 Narlikar & Odell (2006). Note that probably also the 9/11 incidents contributed to the agreement on the launch of a new round, as parties were seeking cooperation rather than confrontation. Interview with Maud Johansson; Peter Kleen; Lars Anell; Narlikar (2005), p. 102.
135 Interview with Peter Kleen.
136 Interview with Lars-Olof Karlsson, Attac Sweden, 14 July 2005 (telephone).
All in all the new Ministerial Declaration “uses the expression ‘least developed’ countries 29 times, ‘developing’ countries 24 times, and ‘LDC’ 19 times.” Additionally, not all developing countries had been resisting a new round, but had rather been focusing on putting forward new offensive interests to be included in the agenda. Apart from the old built-in issue on agriculture, developing countries – supported by NGOs – actively pushed for the inclusion of the declaration on TRIPS and Public Health, allowing developing countries to import patented drugs cheaply in an emergency situation. Also SDT was strengthened, and made an “integral part of the WTO Agreements”, with special concerns for the LDCs. Developing countries furthermore managed to set up Working Groups in areas of importance to them, on Trade, Debt and Finance, as well as on Trade and Transfer of Technology. With support from industrialised countries, the enhancement of trade-related technical assistance and capacity building was also incorporated. Developing countries’ disappointment with, and defensive resistance against the newly included Singapore issues, however, continued to be massive.

Cancun Ministerial 2003

In response to the developing countries’ apparent failure in blocking the launch of the Doha round, they started to organise themselves in coalitions. The G-20, comprising some of the strongest developing countries like Brazil, India and China took on an offensive stance and pushed for the phasing-out of industrialised countries’ agricultural export subsidies within a set target date. The group was formed by developing countries with both offensive and defensive interests in the agricultural issue, with some of the countries being previous allies with developed countries in the Cairns Group. In addition, the Group of 33 (G-33), which was made up of a group of developing countries with an interest in products of strategic concern to developing countries, pursued the defensive issue of the entitlement to unilateral definition of strategic products and for the inclusion of a safeguard mechanism against prospective import surges. Furthermore, four West and Central African countries, namely Mali, Benin, Chad and Burkina Faso had come together – with strong backing from NGOs – to propose a total phase-out of industrialised countries’ subsidies in cotton. The group came to know under the name Cotton-4. Finally, the African Group, the ACP-countries, and the LDCs, together formed an alliance called the G-90, with an aim at blocking any negotiation on the Singapore issues.

At the Cancun Ministerial, informal meetings and bilateral arm-twisting were still ongoing, but there were tendencies towards more transparency, and NGOs had better access: “The declaration drafts came very late...but there was an ambition to be inclusive, to change the process.”

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139 Interview with Peter Kleen.
142 See G-20 (2009), Members. Available [online]: http://www.g-20.mre.gov.br/index.asp for a list of all current G-20 member countries.
Cancun [as compared to Seattle], NGOs at least knew where the arm-twisting took place.”

Starting in 1996, NGOs had successively been granted more and better access to the WTO and the Ministerial meetings. The Seattle Ministerial, in particular, paved the way for increased NGO participation and less excluding decision-making processes. NGOs can not take part in the official negotiations, since they are open to member countries only. WTO has, however, organised symposia, seminars and workshops where NGOs and other interested parties can participate. Informal meetings still exists, but are now publicly listed and announced, and many documents are published on the WTO website in a timely manner. Yet, the continuous relative lack of representation and participation of developing country delegates at the Cancun Ministerial was striking, exposing the obvious imbalance in resources and capacity between developed and developing countries.

In the actual negotiations, the industrialised countries did not meet the demands of the G-20 regarding agricultural subsidies, claiming the request was unbalanced in favour of the developing countries. The US further refused to negotiate the cotton-initiative separately, and made it a part of the broader negotiations on textiles instead. The Singapore issues were subject to debate between the industrialised and developing countries. While the EU was claiming the Singapore issues to already have a mandate in the Doha agenda, the developing countries declared that negotiations could only be undertaken if supported by all member countries by “explicit consensus”. Surprisingly, by the end of the Ministerial, negotiations on the Singapore issues were nevertheless launched, despite the uniform resistance by all developing country coalitions. A full-scale north-south confrontation broke out, and negotiations collapsed.

Who is responsible for the failure? There is political debate on that. Developing countries are blamed for the failure. But we refused to have negotiations on Singapore issues...the four Singapore issues...we completely refused that. I was in the room of ministers...unanimously they said that there is no way that we will negotiate on those issues. For the first time [there was] a determination of these weak countries to stand up and say no – traditionally countries that used to have issues imposed on them.

 NGOs which had supported the developing countries’ coalitions, and had been protesting outside and inside the conference hall, celebrated the victories of the worlds’ poor. This was especially true for the more aggressive, rejectionist NGOs, whereas the more cooperative, reformist NGOs were more toned down, claiming the failure of the Ministerial to be a “hollow victory for the poor”, and a missed opportunity, which would ultimately harm developing countries’ trade opportunities. The G-20, however, considered the collapse of the Cancun Ministerial, and the blocking of negotiations on the Singapore issues a historical breaking point for developing countries’ ability to influence the agenda of the multilateral trade negotiations.

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147 Interview with Maud Johansson.
150 The US and the EU were represented by around 800 delegates each, Malawi came with 30 representatives, Nigeria with 12, Barbados 8 and the Central African Republic with 3. Narlikar & Wilkinson (2004), p. 452.
152 Interview with Edouard Bizumuremyi.
154 Ibid., pp. 94ff.
155 Interview with Niklas Ström, First Secretary, Permanent Mission of Sweden in Geneva, 1 July 2005 (telephone).
July Package 2004

In July 2004 efforts were again made to reach an agreement. Both developed and developing countries understood the significance of coming to an agreement, in order to not jeopardising the legitimacy of the WTO, similarly developed countries had slowly started to realise the importance of listening to the demands of the developing countries, in order to reduce the risk of a stalemate of the negotiations. The developing country coalitions active during the Cancun Ministerial, continued to hold, and the G-20 became an important player, together with the newly formed group of Five Interested Parties (FIPS), consisting of the US, EU, India, Brazil and Australia.156 “The US and the EU can not longer alone decide upon the conditions for international trade…G-20 has in a significant way changed the geopolitical landscape.”157 “Brazil and India were [as always] part of the Green Room negotiations…But now one [industrialised countries] negotiated with them, instead of against them.”158 FIPS initiated and led the negotiations, increasing the efficiency of the process, however, to some extent at the expense of excluding several member countries from agenda-setting. India and Brazil, being also the leaders of G-20, though took responsibility and managed to pursue developing countries’ interests leading up the July Package 2004.159 Developing countries’ interests were also put forward by strong pressures from NGOs and academics.160

Within agriculture, agreement was made on setting a date for a total phasing-out of the agricultural export subsidies, and for a strict limitation of all trade-distorting agricultural production subsidies. Three out of four Singapore issues were dropped from the multilateral trade negotiations, trade facilitations being the only issue still to be negotiated in the Doha round. Cotton was made a part of the agricultural negotiations, but was provided with a separate fast-track. SDT was further strengthened and the safeguard mechanism was incorporated as part of the agenda.161 Basically all demands put forward by the developing countries in Cancun, were agreed to, and made part of a framework for further negotiations in the coming Hong Kong Ministerial.

Hong Kong Ministerial 2005

The 2004 July Package, successful and with substantial improvements from a development perspective at a first glance, in reality proved to be quite meagre. This also manifested itself in the following Hong Kong Ministerial.

During the Ministerial meeting, the developing country coalitions still continued to play important roles, with the G-20 being a decisive force. The Cairns Group had started to work in close cooperation with the G-20, further increasing the strength of the coalition. The traditional Quad constellation of countries had started to become irrelevant, and had instead been replaced

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158 Interview with Maud Johansson.
159 Narlikar (2005), p. 120.
by what informally became known as the New Quad, comprising Brazil, the EU, India and the US. And the process of the negotiations was finally not so exclusive. Green Rooms encompassed directly or indirectly a balanced representation of all member countries or groups of countries. “Transparency and inclusiveness was taken for granted. In unison, participating members expressed satisfaction about this [bottom-up] method of negotiations.”

The actual negotiations eventually resulted in the setting of a final date for the phasing-out of export subsidies in agriculture. It was set to the end of 2013, although developing countries had requested the earlier date 2010. In cotton, export subsidies were going to be phased out in 2006. Although a progress in the liberalisation attempts, this should be put in light of the fact that export subsidies within agriculture constitute less than four percent of EUs total farm subsidies, and the same goes for cotton, where export subsidies only account for a small part of US total domestic support to the sector. Nothing was decided regarding the remaining large trade-distorting agricultural production subsidies. SDT was further improved by providing LDCs duty and quota free market access for 97 percent of their exports products by 2008. The remaining three percent, however, concerns products where industrialised countries are the least competitive, but where developing countries similarly have their strongest comparative advantage, leading to an exclusion of products where the LDCs could have benefited from the trade liberalisation the most. The safeguard mechanism was not negotiated. At the same time developing countries might have to pay a high price for the concessions they received, both through developed countries’ demands on stronger developing country commitments in tariff reductions in industrial goods, as well as within services.

Although not achieving much in substance for neither of the parties, the Hong Kong Ministerial at least managed to avoid a repeated failure of the multilateral trade negotiations.

July Package 2008

After some efforts to continue the negotiations, which only resulted in repeatedly missed deadlines, the Doha Development Round was officially suspended in July 2006. The unwillingness of the US and the EU to reduce subsidies and increase market access for agricultural goods, and the developing countries’ – in particular India, Brazil and South Africa – resistance against providing concessions to the developed countries in the form of tariff reductions in manufactures and liberalisation within services, finally led to the postponement of the multilateral trade negotiations.

Talks were, however, continued, with an aim at reaching a new package deal for further negotiations in July 2008. The EU and the US eventually proposed concessions in the form of reductions in trade-distorting agricultural production subsidies. The offer entailed that the EU would have to reduce their domestic subsidies by 80 percent, implying a reduction from 110 billion USD to 22 billion USD, and the US by 70 percent, lowering their agricultural subsidies

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162 Das (2007), pp. 147, 156ff.
166 Das (2007), pp. 152ff.
from 48 billion USD to 14.5 billion USD. In practice the US reduction would, however, be insignificant, and the EU cutback would solely amount to three billion USD, due to the reductions being based on maximum allowed ceilings, which had never been in use. The cutbacks would, however, prevent future increases in domestic agricultural support. The concessions were made conditional on developing countries lowering their tariffs in industrial goods and liberalisations within services. At the current times of food and financial crisis, developing countries additionally offensively pursued the right to apply the safeguard mechanism, as protection against import surges affecting the poorest parts of their populations.\(^{169}\)

The parties did, however, not manage to agree, and also the negotiations of the July Package 2008 collapsed. The failure is to a large extent blamed the, in reality, inadequate offered deal on agriculture, on condition that developing countries liberalise their trade in industrial goods and services, and in particular the inflexibilities of developed countries on deciding not to allow developing countries to use the special safeguard mechanism in case of potential import surges. This taking into account that the Doha round is aiming at placing the developing countries “interests at the heart of...this Declaration”.\(^{170}\)

WTO Director General Pascal Lamy concluded the meeting with the following words: "What members have let slip through their fingers this time is a package worth more than 130 billion USD a year in tariff savings by the end of the implementation period."\(^{171}\)

In spite of the current deadlock of the negotiations, world trade, including developing countries’ share in world trade is increasing. During the period 2000-2007 developing countries’ exports rose from 31.9 to 37.5 percent, and imports increased from 28.8 to 33.0 percent.\(^{172}\) Additionally the total membership in the WTO during the ongoing Doha round increased to 153, of which the majority are developing countries.\(^{173}\)

**Analysis**

**Have the developing countries gained more power in the multilateral trade negotiations?**

Defining power as bargaining power in the scope of the specific issues being negotiated within the domain of the GATT/WTO multilateral trade negotiations, it can in the empirical material, be shown that over time, developing countries have become more and more successful in bringing about their issue-specific defensive and offensive interests and thereby influencing the multilateral trade agenda. This conclusion is also supported by every interviewed respondent participating in this survey. It can be observed that developing countries have gradually been increasing their bargaining power, starting from an initial position of non-participation and pure


\(^{172}\) UNCTAD (2008), *Handbook of Statistics*.

interest in exceptions from GATT commitments, evolving into an active engagement in the negotiations, in the end manifesting itself in agenda-setting by the successful pursuit of their defensive as well as offensive interests. Or as expressed by Page “Developing countries have proved first that they can modify the outcome, then that they can block a settlement, and finally that they can initiate their own issues.”\textsuperscript{174} In particular, the change in the issue-specific power balance can be observed, beginning at the Seattle Ministerial in 1999, where developing countries were strongly opposing the launch of a new round of trade negotiations, and the non-transparent and excluding decision-making processes surrounding the meeting. At the Cancun Ministerial in 2003, developing countries even managed to block the developed countries’ request for inclusion of the four Singapore issues, and were moreover given all their demanded concessions in the following July Package, without having to commit to any of the industrialised countries’ proposals, except from one of the Singapore issues. The following years have been characterised by stalemate in the negotiations, since neither the industrialised nor the developing countries are willing to commit to the other party’s requests. The last decade has consequently shown, that it is no longer possible for the developed countries to take for granted that they unimpededly can set the agenda in the WTO negotiations. The playing field in the multilateral trade negotiations has changed, requiring developing countries’ interests to be taken into account.

Below possible explanatory factors for developing countries’ increased bargaining power with respect to agenda-setting in the GATT/WTO negotiations will be discussed.

The importance of marketshare

Following the power-as-resources approach, the neo-realistic claim of attributing the change in bargaining power in the multilateral trade negotiations to countries’ economic resources and capabilities, can be considered to hold.

When looking at the progress of developing countries’ market shares in imports and exports, i.e. trade power over time during the GATT/WTO era, developing countries’ share of world exports has increased from 24,5 percent in 1960 to 37,5 percent in 2007, at the same time their share in imports has increased from 25,3 in 1960 to 33,0 percent in 2007. Much of this development can be derived from when developing countries started to move away from more socialist oriented strategies of import substitution, towards applying more liberal, outward directed trade policies of export orientation. The strong export surge in manufactures from the NICs, as well as in textiles from the South Asian and South East Asian countries following as a result from these policies, however, led to developing countries’ exports becoming subject to heavy restrictions from the industrialised countries, severely hampering the trade power for in particular LDCs for many years to come. Yet, as can be seen in the empirical material, the trend in developing countries’ market share in world trade over time is positive, with a particularly strong increase in trade power over the last seven year period from 2000-2007, where exports as a share of world exports increased from 31,9 to 37,5 percent, and imports increased from 28,8 to 33,0 percent over a very short period of time. This development would indeed support the neo-realistic stance, that the developing countries’ increased ability to influence the agenda of the multilateral trade negotiations during the last decade, illustrated by the power advancements starting in Seattle in 1999, would be directly correlated with developing countries strongly enhancing their market

\textsuperscript{174} Page, S. (2003), \textit{Developing Countries : Victims or Participants – Their changing Role in International Negotiations}, Globalisation and Poverty Programme, Overseas Development Institute, p. 4.
shares in world trade. The importance of market share for influencing the agenda, is also mentioned by eight of the twelve interviewed representatives.

This development must, however, be put in light of the fact that various developing countries are exhibiting strong differences in economic resources and capabilities. In 2007, China’s export constituted 8.8 percent of world exports, and 6.8 percent of world imports. Brazil, India and South Africa comprised between 0.5 to 1.5 percent of world market exports and imports respectively. “These are sizeable economic actors, there is a lot of interest in opening their markets…the industrialised countries desperately want to get their tariffs down. And these guys can say: ‘Well, you want access to our industrial markets…we understand that. We want access to your agricultural markets. So take down those barriers, the subsidies, and we will talk about industrial tariffs. Maybe we can precipitate?” Here developing countries have something to offer in return, which creates much more of a give and take situation when bargaining. In Africa, the story is somewhat different, and it also differs significantly from what we have seen if looking at developing countries’ trade power on an aggregate level. From 1960 to 2007, exports from Africa decreased from 5.5 percent to 2.9 percent of world exports, and imports declined from 6.2 to 2.4 percent during the same time period, including the market shares of South Africa.

In line with these statistical measures, the change in power in the GATT/WTO negotiations, would from a neo-realist approach, ultimately be the merit of the strong and economically resourceful and capable developing countries, which have managed to raise their trade power and market shares in world trade. This is also a recurrent claim by the respondents. In the following sections it will be explored, whether these symmetrical power balances really are a prerequisite for altering the bargaining power within the multilateral trade negotiations, or if the power balance also can change in spite of asymmetrical relations? As suggested by Zartman and Rubin “The issue behind power as a possession is that it fails to take into account control of the resources through will and skill. It takes more than brushes and paints to paint a picture, a point that seems curiously lost on the neo-realists.”

**Coalition building as strategy of choice**

Odell has made an assessment of the trade power of various coalitions in the WTO, based on their total share of world imports. It shows that in 2004, the traditional Quad countries covered 50.9 percent of the world’s imports, the Cairns Group 13.0 percent, the G-20 comprised 18.7 percent, and the G-90 5.8 percent, with the African Group and the LDCs mounting to 2.4 and 1.0 percent respectively. The same year the Cotton-4 group held 0.0 percent of world imports. Comparing these figures of developing countries’ total trade power when coordinated in coalitions, to their actual achievements when it comes to agenda-setting in the WTO – with a

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175 All trade statistics, apart from Organisation for Economic Cooperation and Development (OECD), is today, however, still including the NIC countries, which in 1960 constituted 1.5 percent of world exports and 2.2 percent of world imports. In 2007 the NICs made up 9.2 percent of world trade exports, and 8.6 percent of world imports, which would leave us with a trade growth in exports of 7.7 percent, and a growth in imports of 6.4 percent, actually attributable to already developed countries. Withdrawing these figures from the aggregated increased market share of “developing countries” in 2007, would bring us to the conclusion that the increase in developing countries’ market shares is in reality rather insignificant. UNCTAD (2008), *Handbook of Statistics.*

176 Interview with Anja Halle, Senior Editor, Editor Bridges, International Centre for Trade and Sustainable Development (ICTSD), Geneva: 30 March 2005.

177 Figures from UNCTAD (2008), *Handbook of Statistics.*


179 Odell (2005), p. 11.

particular reference to the weak trade power of the Cotton-4 group – it becomes obvious that the neo-realist claim of symmetry in economic resources and capabilities as a requirement for power in the multilateral trade negotiations, is insufficient. “If one is maintaining the importance of market share, how can you then explain that four small West African countries have been able to pursue the Cotton-issue?” In spite of the sometimes very small share in world trade, developing countries’ coalitions have managed to influence the agenda to a considerable extent, which is especially true for the last decade, witnessing an upsurge in the establishment of new developing country coalitions. In fact, apart from Brazil and India, it is only when appearing in coalitions, developing countries have been able to influence the agenda. One of the reasons for this being that the number of members count in decision-making the WTO, and the external balancing that the coordination within coalitions brings.

The WTO is a member driven organisation, adhering to the treaty of one-member-one-vote. Going from 11 developing country members in 1947, to constituting the majority of the 153 current WTO members, has naturally contributed to a much greater impact in the negotiations and agenda-setting, especially when developing countries have managed to coordinate themselves in coalitions. The coalition-factor is also the single explanatory factor for the change in bargaining power, which is highly supported by all interviewees in this study. Coordination within coalitions has made it possible for developing countries to adjust for their internal imbalances in the form of economic resource and capability constraints, and to more forcefully and distinctively formulate and bring about their interests by reducing complexity. “The coalitions are much clearer, [they have] much clearer statements.” And of course “defining ones interests is of importance to the bargaining position.” Through external balancing, in the words of Habeeb, developing countries are using their behavioral power to adjust for the asymmetrical power relations, with an aim at changing the issue-specific structural power in the multilateral trade negotiations.

“We are 44 African WTO members [in 2005]. Many members have their missions in Geneva, but not all...Some countries have many officials, some only one. The chance we have is that we are acting as a group. If we have one or two or three delegations that are strong, then the position can go as Africa Group. That is how we can be a force under those circumstances. Chad does not have a mission, but sends a delegate primarily on cotton decisions. Sierra Leone is not here, but is participating from the capital. But of course the participation is not the same if you are not here. Gambia does not have a mission either.”

By the time of the establishment of GATT, and the beginning of the Tokyo round, developing countries were engaging in collective action by participating in G-77 in UNCTAD. The coalition was largely building on ideological grounds, or on homogenous idea/identity-specific interests which were opposite to, and even confrontational with those of the industrialized world. Developing countries’ main bargaining strategy was to appear defensive by not participating in GATT, by demanding exemptions, or by trying to block decisions. There was a clear bloc division between developed and developing countries. By the end of the Tokyo round developing countries started to become more heterogeneous in their interests, resulting in a more pragmatic attitude towards trade and the GATT.

In the Uruguay round the heterogeneity and new pragmatism led to developing countries joining coalitions based on issue-specific interests, rather than ideology. They were coordinating themselves in alliances for offensively pushing for liberalisation in textiles, and were cooperating

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181 Interview with Niklas Ström.
182 Interview with Maud Johansson.
183 Interview with Lars Anell.
184 Interview with Edouard Bizumuremyi.
with the industrialized countries in the Cairns Group offensively, for the reduction of trade barriers in agriculture.

Yet, in response to not being able to stop the launch of the Doha round, new developing country coalitions evolved in the run-up to the Cancun Ministerial. The developing countries, previously allying with the industrialised countries in the Cairns Group, broke out and created the G-20. The G-33, the G-90 and the Cotton-4 coalitions were additionally established, each of them alliances pursuing their own issue-specific interests, but now again rather within frameworks of more idea/identity-based developing country blocks. Paradoxically, there seem to be a division and concentration of developing country interests ongoing at the same time.\(^{185}\) A mixture of both offensive and defensive interests were pursued and added to the agenda, in line with what theory would predict regarding issue-specific alliances being superior in bringing about offensive interests, and idea/identity blocks being better at blocking and acting defensively, the stereotypical example being the G-20 pushing offensively for agricultural liberalisation, whereas the G-90 is defensively blocking negotiations on the Singapore issues. This tactic continues to be prevalent even today, adding that G-20 has been increasing its power by allying with the Cairns Group, and the New Quad presently acting as a powerful agenda-setter. Or as expressed by Kwa A. “the North within the South…have joined hands with the big guys.”\(^{186}\) In spite of allying in issue-based coalitions, the old pattern of block-based coalitions is back, consequentially also reviving the division and confrontational stance between industrialised and developing countries.\(^{187}\) Apart from developing countries having increased their bargaining power through coalition-building, the abandonment of the previous pragmatic approach is probably also one of the reasons for the stalemate of the multilateral trade negotiations currently observed.

**Change in norms?**

As argued by Narlikar, what constitutes justice and fairness needs to be defined by the negotiating parties, and by the domain within which the negotiation takes place.

Defining justice and fairness in terms of legitimacy and distributive justice, applied to the normative structure GATT/WTO over time, gives a quite clarifying picture of the evolvement of the norms dominating the multilateral trade institution. As described earlier, legitimacy refers to “the extent to which activities are in line with the stated aims of the multilateral institution and accepted by its members and other stakeholders like civil society”, and distributive justice represents “the extent to which activities lead to an equitable distribution between members.”

During the 1950s-1960s developing countries maintained their ideologically socialist oriented stance, relying on the arguments of dependency theory and trying to pursue their own agenda of development in forums like UNCTAD, outside of the GATT. Through UNCTAD, developing countries claimed justice and fairness in trade according to equity concerns, demanding distributive justice through exemptions from GATT rules, and by calling for a NIEO. The active non-participation of the developing countries in the GATT, however, gave the capitalist industrialised countries free hands to set the agenda of the multilateral trade negotiations, which instead created a normative structure based on legitimacy, implying adherence to the liberal principles of MFN, and acceptance by its stakeholders.

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\(^{185}\) Interview with Ingrid Jegou, Analyst, Swedish National Board of Trade, Stockholm: 23 March 2005.

\(^{186}\) E-mail correspondence with Aileen Kwa, Focus on the Global South, 12 September 2005.

As the developing countries started to move away from the socialist development strategies in 1970-1980, more and more developing countries were gradually joining the GATT. When developing countries became members, they also adopted the developed country agenda of participation and reciprocity in the multilateral trade agreements. As a consequence, when joining GATT, developing countries more or less gave up their demands for equity and distributive justice, instead trying to adapt to the already created normative GATT structure, based on legitimacy rather than egalitarianism.

Disappointments with the Uruguay round, and the systematic and non-transparent exclusion of developing countries from the decision-making process, however, revived the developing countries’ concern for distributive justice. Supported by NGOs and other stakeholders, developing countries managed to put ‘justice-and-fairness-as-equity’ back on the WTO agenda, resulting in the current round being labelled the Doha Development Agenda, aiming at putting developing countries’ interest at the centre of the Declaration. As compared to previous rounds, there has, during the last decade, been a great improvement in the inclusion of issues of specific interests to developing countries on the agenda. There has also been much improvement with regards to the process of inclusion and transparency in decision-making. Additionally, “[trade related] technical assistance has gone up about five times.”

Yet, the question can be raised, whether this positive development is actually due to a change of norms within the WTO. Has the slight shift from ‘justice-and-fairness-as-legitimacy’ to ‘justice-and-fairness-as-equity’ really been a tool for increasing the bargaining power for the weak in the asymmetric power relations? The stalemate of the ongoing round could be attributable to the financial and food crisis, resulting in protectionist policies, but it could also be due to the DDA never being a development round. The recent unwillingness of the industrialised countries to approve the use of the special safeguard mechanism for the poorest parts of the world would suggest a quite weak commitment from developed countries in prioritising developing countries’ needs.

In the interview based material, solely four out of the twelve respondents explicitly mentions the norm shift as a plausible cause of the change in power relations in favour of the developing countries. The picture is, however, mixed. Some of the interviewees are claiming the change of moral and public opinion in the WTO negotiations as being decisive in the change: “Earlier the EU agricultural policy was criticised for being too costly…but now justice and fairness arguments are used, that it is immoral. This was not the case during the Uruguay round.” “The interest for developing countries and development issues has drastically increased. The WTO became a symbol for globalisation, resulting in strong resistance from NGOs and the anti-globalisation movement. The politicians had to take this into account. This has contributed to an increased interest for development issues.” Others are at the same time rejecting that moral has a role in the multilateral trade negotiations, and are sceptical towards the claim that a change in norms has taken place: "When it comes to the moral aspects…I think that every country is acting out of its own interest. And if one is looking at this from a power perspective, the industrialised countries are still so much stronger." "The concept Doha Development Agenda is just cosmetics. It is not a development round. It was just EU putting a label on it. It was ambitious in Doha, but if one had followed what had been written, developing countries would have been of highest

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188 Interview with Maika Oshikawa, Committee on Trade and Development, Sub-committee on LDCs, WTO-Secretariat, Geneva: 30 March 2005; Compare Narlikar (2006).
189 Interview with Ingela Juthberg, Swedish International Development Cooperation Agency (Sida), Stockholm: 5 July 2005; Niklas Ström; Lars Anell; Maika Oshikawa.
190 Interview with Lars Anell.
191 Interview with Niklas Ström.
192 Interview with Peter Kleen.
priority on the list. It becomes clear that this is not the case, when the Singapore issues…and industrial tariffs and services have been dominating the agenda.”

According to Albin justice and fairness arguments definitely have a role in multilateral negotiations, but that they apply poorly to highly asymmetric power relations, since the gains for the more powerful party to come up with a just and fair agreement might be limited. At the same time Zartman and Rubin mention that “...it is the beggar who gets the alms from the rich, even though the beggar is weaker on all counts than the wealthier patron.” The future will show, which of these approaches will prevail.

Civil society entering

Diplomacy and negotiations have traditionally been characterised by secrecy and discretion, at the expense of openness to the public. The GATT/WTO, being a multilateral negotiation organisation, consequently inhabits the same diplomatic cultural features at the expense of transparency. Already from the establishment of GATT, the decision-making process was based on the principle of PSP, leading to informal meetings, like the Green Rooms, which were excluding a large part of its members, in particular developing countries, from taking part in agenda-setting. The non-transparency and systematic exclusion of developing countries from decision-making, with the exception for a few big developing countries, continued without much change until the Seattle Ministerial in 1999, where developing countries together with the support from NGOs, with fortitude opposed the traditional culture of secrecy and non-transparency.

“The main reason for founding ICTSD was that the WTO operated as a secret society. Its website was terrible, any documents that were released were at least six months old if not more. You had advance boarding of nothing, you did not know when they were meeting, what meetings were taking place. You did not have access to the minutes of those meetings, the Secretariat was forbidden to talk to outside non-delegates...It was very difficult to have access to agendas, schedules, documents, delegates were very suspicious...they really thought that all NGOs had horns and little tails. And the Secretariat was very suspicious as well.”

After Seattle transparency has gradually improved, and the exclusion of developing countries is today as good as non-existent. “Today it is not possible to have a Ministerial meeting without including the African Group or the ACP Group.” Transparency in WTO has also improved with respect to NGO access. “There has been considerable improvement from the previous initial years when the WTO was founded...in terms of NGO access and knowing what is going on.” “Absolutely, it is night and day.”

193 Interview with Lars-Olof Karlsson.
197 Interview with Anja Halle.
198 Interview with Niklas Ström
200 Interview with Anja Halle.
A lot of the work in improving transparency in the WTO, can according to the respondents be attributed to the NGOs. “The failure of Seattle has helped. Pressure comes from the outside…NGOs have done a brilliant work in this matter.”  Most of the interviewees also emphasise the importance of NGOs when it comes to knowledge creation by providing issue expertise to developing countries’ governments, and educating the public. Developing countries are embodying severe resource and capacity constraints, which to some extent can be alleviated by increasing the knowledge of delegates representing their countries in the multilateral trade negotiations. In particular with respect to the inclusion of the TRIPS and Public Health declaration, as well as the Cotton-initiative, NGOs are seen as having played important roles. “Oxfam was one of the key NGOs behind the Cotton-initiative, and so were we, and the IDEAS Centre of course…it would never have happened if NGOs had not existed. The support that these delegates got was so strong.” By increasing developing countries’ issue-specific power, NGOs have accordingly contributed to adjusting for the asymmetric power relations leading to a strengthened bargaining power for the developing countries in the WTO negotiations. The developing countries now know more, they are more skilful as a result of trade related technical assistance and capacity building from, among others, NGOs. The enhanced knowledge naturally also stems from many years of practical learning experiences from negotiations. Still, the resource and capacity problem of developing countries is considerable, and must be further strengthened, through increased trade related assistance. In particular the lack of knowledge and capacity in trade issues of the weaker developing countries’ national governments is emphasised, where national committees involved in trade issues are often missing.

The heterogeneity between NGOs operating inside and outside the WTO is considerable, and can for simplification be divided into two groups. The operational NGOs are mostly concerned with gathering information, analysing the material and providing knowledge to developing countries’ governments in order to facilitate their decision-making. They are reformist-minded and are operating within the system. By engaging in capacity building they are trying to improve the system, rather than destroying it. “I guess it is more about the ‘making things work better’, rather than ‘let us do away with the system as such’. Because, in that case the thing is to propose alternatives, and as far as I know there has not been any viable alternatives proposed to how you make the trade system work better.” The advocacy NGOs generally have a more radical and rejectionist political agenda than the operational NGOs, trying to work more from the outside of the WTO by influencing the public opinion and thereby create pressure for change. The interviewed respondents are more prone to ascribe the operational NGOs a bigger weight when it comes to influencing developing countries’ bargaining power in the WTO negotiations, as compared to the advocacy NGOs. Similarly Risse and Ayres are claiming the activities and methods of the advocacy NGOs to have weak impact on the result of, in this case, the multilateral trade negotiations. In order to have an influence, advocacy NGOs must be constructive and provide viable alternatives. “Shaming and the re-framing of issues is usually not sufficient to convince others and overcome opposition.” “I think it has to be constructive and

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201 Interview with Maika Oshikawa.
202 Interview with Anja Halle.
203 Interview with Maika Oshikawa; Lars-Olof Karlsson. Trade related technical assistance and capacity building is also provided by other multilateral organisations and bilateral donors. See the WTO (2009), Trade Capacity Building Database. Available [online]: http://tcbdb.wto.org for more information on donors, projects and evaluations.
205 Interview with Niklas Ström, Maika Oshikawa, Ingela Juthberg.
206 Interview with Edouard Bizumuremyi
207 Interview with Mahesh Sugathan.
it has to pinpoint the real problems. Something that governments can identify with and say: ‘Yes, we need to change this.’ But if it is so general sort of ‘we hate the WTO and think that it should shut down’, I think these organisations have largely been preaching to the converted. They will get a number of signatures from like-minded organisations.” A few of the respondents, however, attribute the possible change in norms to the advocacy NGOs. Yet, as previously discussed, it is ambiguous whether a norm change actually has taken place within the WTO.

All in all, ten out of the twelve interviewees are considering NGOs to having had an impact on the increased bargaining power of the developing countries. But apart from being very influential in creating ‘democratic governance of the global economy’ by improving transparency, and being strongly supportive to the developing countries in the TRIPS and Public Health, and the Cotton issues, their impact is regarded as rather limited.

**How can this be explained?**

In sum, the strengthened bargaining power of the developing countries in the GATT/WTO negotiations can, according to this study, in the first place be explained by developing countries having managed to successfully coordinate themselves in sustainable coalitions. Power is exercised by a combination of block-based and alliance type of coalitions, pursuing defensive as well as offensive developing country interests. The second most important factor is attributable to developing countries having increased their market shares in world trade. This conclusion would suggest that it is predominantly the economically most resourceful and capable developing countries that are responsible for the power change. Thirdly, the democratisation of the multilateral trade negotiations through NGOs entering the WTO scene seems to have some explanatory power, at least with regards to strengthening the issue-power of the weak. Lastly, the evidence for a potential norm change is rather fragile. The rhetorical change in norms towards more equity-based concerns coincides with the manifestation of developing countries’ increased bargaining power in the multilateral trade negotiations during the last decade, but it is unclear whether this development can be ascribed to an actual norm change taking place within the WTO.

**Concluding discussion**

By this stage, I hope to have been able fulfil my first aim of contributing to a little more knowledge regarding multilateral negotiations in the context of the GATT/WTO, with a particular reference to the role of developing countries. I also hope that I to a satisfying degree have been able accomplish my second aim of documenting and analysing whether, and in that case how, a change in power relations between the developing and industrialised countries, in favour of the developing countries, has taken place in the multilateral GATT/WTO negotiations.

What has struck me during the thesis work is, however, how difficult it has been to observe the assumed linkage between how a strengthened bargaining power of the developing countries would translate into negotiations that are taking the critical concerns of the developing countries’ trade preferences and their possibilities to trade more adequately into question.

When going through the empirical material it becomes clear that, in spite of coming to the conclusion that developing countries having increased their bargaining power by becoming

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210 Interview with Anja Halle.
gradually more and more successful in bringing about their issue-specific defensive and offensive interests on the multilateral trade agenda, the actual substance of the agreements, while appearing promising at first sight, in the end does not contain much of benefit to the developing countries. The same goes for the actual implementation of the agreements of interest to the developing countries. The parties might have come to an agreement, which has been adopted and put in writing into the Declaration, but in practise not much happens.

In the Uruguay round, developing countries managed to include textiles, and through the Cairns Group they succeeded in adding agriculture to the agenda. The price they had to pay was to commit to burdensome agreements in GATS, TRIPS and TRIMS. Industrialised countries, however, procrastinated the phasing-out of the majority of their textile quotas as long as they could until 2005, and the reduction in agricultural subsidies were replaced by tariffs. In Doha, the previous agreement to focus on implementation of reached bargains in the built-in agenda, was replaced by a new round of trade negotiations, where instead new issues of interest to developed countries were included. In exchange developing countries got the Doha Development Agenda, which in practise has shown not to be an adequate development round. In Hong Kong industrialised countries agreed to phasing-out their export subsidies in agriculture by 2013, and in cotton by 2006. Yet, in practise it showed that export subsidies only constituted less than four percent of EU’s total agricultural subsidies, and similarly only a small fraction of the US total subsidies in cotton. Granting the LDCs market access for 97 percent of their export products to industrialised countries’ markets, proved to be excluding the three remaining percent where developing countries could have benefited the most from trade liberalisation. In the latest July Package, the EU and the US finally proposed reductions in their trade-distorting agricultural subsidies, by 80 percent and 70 percent respectively. Since the reductions were based on maximum ceilings, in practise, however, the cutback would be close to zero, resulting in no effect on market access for developing countries’ agricultural exports. Some respondents are providing additional insights into the subject matter:

 Even if Doha is very beautiful...but so far we have not achieved anything. In concrete sense...with [the] TRIPS and Public Health agreement we are expressing our disappointment. In 2002 a decision was taken...to give pharmaceuticals to countries that cannot afford to import, and to allow the rich developing countries that have the capacity to produce patented pharmaceutical products (India, South Africa) to do that. Still struggling, the decision is there, the paragraph is there, but so far we do not have any result.”

“[Regarding the Cotton-initiative] Sure, there is a dispute settlement decision against the US, but my general opinion is that they can procrastinate that for another 20 years. Even though there is a decision taken, in practise it will be put back in the round and then poor countries in one way or another will have to pay for actual progress, in the form of industrial tariffs and liberalisations in services which are still on the table. But it is of course good that a good decision is taken. But in practise I think that then strong countries are so very much stronger...even when it comes to the Cotton issue.”

The poor results in actual substance and implementation of the issues of interest brought about on the agenda by developing countries, clearly puts the validity of the assumed ‘power of the weak’ in asymmetric power relations into question. It becomes evident that developing countries’ strengthened bargaining power does not translate properly into the corresponding power in practical reality, with the consequence that the potential positive effect that trade could have on the economic development and poverty alleviation in developing countries, is impeded. Looking

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211 In addition, new restraints on developing countries’ exports in textiles were put in place immediately after the phasing-out period in 2005. Interview with Peter Kleen.
212 Interview with Edouard Bizumuremyi.
213 Interview with Maud Johansson.
at the multilateral trade negotiations from this perspective, the power-as-resources approach, requiring symmetry in economic resources and capabilities between parties for achieving balanced results, might be more adequate and fruitful. At the same time, the power exercised by the weak, illustrated by their ability to influence the agenda of the WTO negotiations, should not be underestimated. The strengthened bargaining power of the developing countries is a real power in itself, with its own merits. If nothing else it can be seen as a first step on the way towards understanding the mechanisms for increasing the power of the weaker party, which eventually might lead up to actual gains for developing countries in the multilateral trade negotiations. But the question still remains: Change of power in the WTO – is it a reality or just an illusion?

**Implications for further research**

As demonstrated, this study shows that developing countries, when adjusting for asymmetries by different means, have been able to strengthen their bargaining power with respect to increasing their influence on the agenda-setting in the multilateral trade negotiations. Coalition building and enhanced market shares have proved to be the most decisive explanatory factors for this change in power. With regards to generalisability, these findings will most likely also be applicable to other cases of multilateral negotiation characterised by asymmetries, for example negotiations within international organisations like the World Bank, the IMF, and various bodies within the UN-system. It would be interesting indeed to see if a similar study of other multilateral organisations would generate the same results.

Furthermore, in the concluding section I highlighted the obvious gap between developing countries’ ability to influence the agenda, as compared to being able to affect the result of the actual substance and implementation of the negotiated GATT/WTO agreements. It would in line with these findings naturally be of much interest to also see additional research conducted on this apparent gap. What constitutes this gap? How does power come into this? And what kind of power? What explanatory driving forces are in place? If only examining developing countries’ bargaining power and their ability to bring about their issue-specific interests on the agenda, there is a risk of missing the point that the same traditional power structures between industrialised and developing countries might still be prevailing – just hidden in beautiful words and meagre concessions provided by the developed countries. This issue area of research might similarly be of high relevance also to other international organisations involved in asymmetric bargaining.

**Policy implications**

The stalemate in the WTO negotiations, can on the one hand be considered a victory for the developing countries, since it is partly an indication of their strengthened bargaining power. On the other hand, the deadlock constitutes a profound loss to the developing world, hindering economic development and severely hampering the ambitions to alleviating poverty and achieving the MDGs by 2015.

“Only slow progress has been made in meeting the MDG target of developing further an open, rule-based, predictable, non-discriminatory trading and financial system and providing tariff- and quota-free access for LDC exports. The recent collapse of trade negotiations is a serious setback to one of the objectives of the Doha Round of trade

214 Compare Lavelle (2005), p. 34.
negotiations initiated in 2001 formulated as addressing the needs of developing countries according to a ‘Development Agenda’. Seven years on, the failure to conclude a development Round constitutes the largest implementation gap in the area of trade.”

It is consequently of critical importance that industrialised countries start to live up their promises to put developing countries concerns “at the heart of the Work Programme” of the Doha round, and not only with regards to agenda-setting, but also with respect to delivering meaningful substance and adhering to implementation of the agreements of importance to developing countries. Developed countries need to open-mindedly and deliberately embrace and adjust to the new circumstances and challenges in the world, the need for development and poverty reduction by partnership in trade matters in line with the MDGs being one of these challenges, the environment another. Discussions urging for the need for re-thinking and reform of the international economic architecture, not only referring to the WTO, but also to the World Bank and IMF, are, however, already ongoing. The re-thinking and reform are addressing both institutional as well as moral change, which both must be born in out of a radically different mindset and perspective, making development and poverty alleviation an obvious and integrated part of all conducted international economic activities. Let us hope that this new approach will result in a greater understanding and willingness from the industrialised countries to end the stalemate by meeting the needs of the poor. The final quotation from the Permanent Mission of Rwanda to the WTO, clearly signals that it will for once probably not be the developing countries giving in. The future of the multilateral trading system accordingly rests in the hands of the developed countries giving up their protectionist and self-centred trade policies, and putting development first.

“I still believe, and I hope that developed countries will translate these good principles into reality, that is to make these Doha Declarations development friendly…I hope so…but of course, I do not say that they will do that…I do not know. Because on public health and SDT there is no movement up until now, and it could be used strategically, e.g. ‘now we agree on public health, and now we agree on some SDT, but you aswell have to agree…decision, decision…I don’t know’. But so far, it’s true, that we didn’t achieve any meaningful result on what is called the ‘Doha Development Agenda’. But it is important for us to continue to call it a Doha Development Agenda, it can help developing countries in the process. It can also help us to refuse any result we consider not development friendly. It helps the ministers politically. I have the sense they will not agree if it is not development friendly...”

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216 See e.g. CSIS & Swedish Ministry for Foreign Affairs (2009), The Next Frontier: Rethinking the Global Trading System prepared by Grant A. D. for a Minister of Trade conference in House of Sweden, Washington: 25 March 2009.

217 Interview with Edouard Bizumuremyi.
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Appendix I: Questionnaire to representatives

1) To what extent have the developing countries been participating in GATT/WTO over time (process)?

(Participation refers to membership, representation, meeting procedures, transparency and knowledge/capacity.)

2) To what extent have the developing countries been successful in bringing about their issue-specific interests by negotiating over time (substance)?

( More specifically, which defensive and offensive interests have the developing countries been able to bring about on the agenda of the GATT/WTO negotiations, and how successful have they been in achieving their aims in practise? I.e. What did they want? What did they get?)

   i) Before Tokyo round (1947-1972)?
   ii) Tokyo round (1973-1979)?
   iii) Uruguay round (1986-1994)?
   iv) Doha round (2001-)?

3) Have the developing countries gained more power in the multilateral trade negotiations?

4) If this is the case, how can this be explained?

   i) Change in market shares (neo-realism)?
   ii) Coalition-building (rational choice)?
   iii) Change in norms (normative political theory)?
   i) Civil society participation (transnational actors)?
   ii) Anything else?

5) What does the future bargaining power situation of the developing countries look like?

6) How can the bargaining power of the developing countries be strengthened?
Appendix II: Press release from the Permanent Delegation of the Organisation of African Unity in Geneva

We, the Ministers of Trade of Member States of the Organisation of African Unity/African Economic Community (OAU/AEC), wish to express our disappointment and disagreement with the way in which the negotiations are being conducted at this Third WTO Ministerial Conference.

There is no transparency in the proceedings and African countries are being marginalised and generally excluded on issues of vital importance for our peoples and their future. We are particularly concerned over the stated intentions to produce a ministerial text at any cost including at the cost of procedures designed to secure participation and consensus.

We reject the approach that is being employed and we must point out that under the present circumstances, we will not be able to join the consensus required to meet the objectives of this Ministerial Conference. We therefore expect that our concerns as consistently articulated by African countries in separate statements to be adequately addressed.

We therefore urge the chairperson of the conference to address the concerns expressed by many members to ensure that we reach consensus required to meet the objectives of the Ministerial Conference.

Dr John Abu MP
Minister of Trade and Industry of the Republic of Ghana &
1st Vice-President of the OAU/AEC Ministerial Committee on Trade
On Behalf of African Ministers of Trade

Seattle, USA, 2 December 1999