

The dog that won't bark

After the successful Doha meeting last November, the WTO is moving forward once again with its complex and demanding agenda. Its governance culture has cobbled together an agreement for a new negotiating round, the result of many compromises on the big-ticket items such as investment rights, development, intellectual property, and generic drugs to name but a few of the areas where large question marks remain.

Significantly there is a backlog of issues that remain unaddressed, including US and EU conflicts over agriculture, biotechnology, and the scope of negotiations; the north-south divide; process and investment-related issues. There is also the formidable opposition of the anti-globalization movement, which remains unconvinced that the WTO is an effective guardian of the world's trading system and doubts whether the WTO with its stronger rule and dispute resolution systems is producing better outcomes. What is increasingly clear is that there is no broad-based consensus and there are many debates about the content and process of the Doha Round. The complexity of the agenda and the extent of the north-south divide give one pause that another failure like Seattle could be the final blow to the WTO.

THIS ISSUE

This special issue of *Canada Watch*, "From Doha to Kananaskis: The Future of the World Trading System and the Crisis of Governance," grew out of a conference organized by Sylvia Ostry of the Munk Centre and Daniel Drache of the Robarts Centre for Canadian Studies with the support of IDRC and DFAIT. The aim of the conference was to find out what agreements had been made at Doha with respect to services, agriculture, trade, the environment, and labour. It wanted to examine a se-

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ries of north-south issues with respect to intellectual property rights and labour and human rights as well as the views from anti-corporate globalization NGOs with respect to the future of the WTO and the future prospects for global governance for G7 and G8 countries at Kananaskis in June.

The conference brought together some of the leading experts in the world, including Guy de Jonquières, *Financial Times* journalist and editor; Keith Maskus, World Bank; and Robert Howse and Michael Trebilcock, University of Toronto, along with international NGOs—Friends of the Earth, Focus on the Global South, and the National Farmers Union. The contributors to this special issue are sharply divided on whether the WTO will successfully conclude the Doha Development Round.

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DOHA: THE DEAL-MAKING ELEMENTS

Doha contained these major elements:

- *General*: embedding development issues at the heart of WTO negotiations, including implementation issues, technical assistance, and capacity building.
- *Non-agricultural products*: improved market access, with agreement on modalities on tariffs and non-tariff measures (to the extent possible) targeted for end-March 2003.
- *Agriculture*: modalities for further commitments on the three pillars of the Agreement on Agriculture (domestic support, disciplines on export subsidies, and market access) to be established by end-March 2003.
- *Services*: a firm timetable has been set for services negotiations with tabling of initial requests by end-June, 2002, and initial offers by end-March 2003.
- *Trade-related intellectual property*: over and above the political declaration on TRIPS and public health, negotiations will be held on a limited number of technical issues (in particular, on a wines and spirits registry).
- *Rules negotiations*: negotiations are to address disciplines on subsidies, anti-dumping, and countervailing duties, as well as regional trade agreements.
- *Systemic issues*: improvements to the dispute settlement system, and consideration of the interaction between the WTO and the Multilateral Environmental Agreements (MEAs).

Developing countries constituted the vast majority of the WTO's 142 members at the time of the Doha meetings. Many developing countries remain convinced that the Uruguay Round had been a one-sided deal, involving commitments for major structural reforms on their part in return for market access. Developing countries are angry that they have not benefited

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from the new world trading order and that the promises made by northern countries have not been kept. At the same time, at Doha, they were prepared to exercise their new-found clout.

MANY UNRESOLVED ISSUES

As readers of this special issue will discover, it is very unclear what a development round could mean that will meet the expectations of southern countries. At the Uruguay Round, the developed world had promised southern countries access for their agricultural and textile industries but they never got the access. Tariffs against the South remain four times higher than those against the rich northern countries. With respect to governance issues, the WTO proposes to reduce the buffer zone between domestic and international policy space. This prospect is troubling, because it will lead to greater instability and insecurity for many countries.

Finally, even if the Doha Round is successfully concluded there is little assurance that the larger issue of international coherence both within the trading system and also the international financial regime of exchange rates and capital flows will be improved. The WTO and Bretton Woods institutions have not caught up to the fast-paced accelerating change of the global economy. Global governance is more contested than ever and no one can be certain that the WTO with all its muscle and resources has the political will and

capacity to successfully negotiate a new deal for the world trading order. The jury is out and the balance seems to have shifted for the time being in favour of the WTO skeptics. No one knows the answer to what a development round consists of? Are there better rules for global governance? Which rules would produce better outcomes for the unstable global trading system? What are the chances of a consensus on investment, agriculture, and public services? These are tough questions for which no one has answers.

AN UNCERTAIN FUTURE

Southern countries are not one trading bloc, but the powerful controlling Quad composed of the European Union, United States, Canada, and Japan has successfully divided the South by splitting off Africa from the other southern countries with NEPAD (New Partnership for Africa's Development) to rescue that region from grinding poverty, war, and corruption (see www.nepad.org). The Doha declaration is compellingly ambiguous and any country can read anything that it wants into it. The current round may not fail but the atmosphere has been badly damaged, if not poisoned. So far the ducks are not lining up the way the once supremely confident global free traders predicted. *Caveat emptor.*

— Daniel Drache
Editor-in-chief