

# The Doha Development Agenda and global governance

## FROM DOHA, TO MONTERREY, TO JOHANNESBURG

Doha has set an agenda for a version of globalization that also benefits the poor. But the European Union clearly recognizes that a free world market alone will not lead to equitable and sustainable development. Official development assistance (ODA) remains crucial to support the autonomous efforts of developing countries, notably the poor ones. The international community must be ready to take concrete steps in fulfilling its longstanding financial promises.

The European Union is well placed to assume a leading role in the pursuit of global sustainable development. It is the world's largest donor of development aid, the world's biggest trading partner, and a major source of foreign direct investment (FDI). Moreover throughout its own evolution, the European model of integration has been based on pursuing mutually supportive strategies for stable economic growth, social development, and environmental protection.

### THE INTEGRATION APPROACH

The Doha Development Agenda does, in fact, represent the integration approach promoted by the European Union to harnessing globalization. The inclusion in the agenda of negotiations on a wide range of trade-related issues should ensure that market liberalization takes place in a broader regulatory framework helping countries to manage and maximize the benefits of reforms. The negotiations that have been launched in Doha and the emphasis on integrating developing countries more effectively into the trading system will take the WTO into a new era, which will allow the organization to play a fuller role in the pursuit of economic growth, employment, and poverty reduction and in the promotion of sustainable development.

BY CARLO TROJAN

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From Doha and Monterrey, the multilateral diplomacy agenda moves to Johannesburg in September for the World Summit on Sustainable Development. Johannesburg should result in a balanced, coherent, and action-oriented agenda simultaneously addressing the economic, social, and environmental problems of this world and incorporating other relevant processes including Doha.

Doha, Monterrey, and Johannesburg together constitute a formidable challenge for a more coherent approach in global governance and in managing globalization. The input in this process of the industrialized countries will be crucial. Hence, the importance of the G8 Summit in Kananaskis hosted by Canada.

### STRENGTHENING THE MULTILATERAL TRADING SYSTEM

The most important result from Doha was the very fact that the WTO, after the failure of Seattle, was capable of launch-

ing a new round of trade negotiations. Yet another failure would have constituted a fatal blow to the multilateral trading system and to the WTO as an organization. Moreover, in the aftermath of September 11 and in the context of a worldwide recession, a failure to agree would have generated a negative impact on the marketplace. The year 2001 was marked by a considerable downturn in world trade and a dramatic fall in FDI. The prospect of further market liberalization and international rules on investment should contribute to reverse the trend.

While developed countries might have promoted further trade liberalization within regional free trade agreements, most developing countries do not have this fallback position. They will depend heavily on a new round of trade negotiations for improved access to markets for their agricultural products and textiles. At the same time, strengthened special and differential treatment provisions, as well as a comprehensive strategy for trade-related technical assistance and capacity building, should address their specific constraints.

### A MORE INCLUSIVE PREPARATORY PROCESS

Much of the success of Doha is due to the strong emphasis on development in its preparatory process, both on substance and on the process itself. On process, we have learned quite a few lessons from the inadequate preparations of Seattle. This time the Geneva process has been far more transparent and inclusive. We have been at pains to include the entire membership in the preparatory process. Even more importantly, ministers and senior capital-based officials have been involved at an early stage in the preparations.

Both the United States and the European Union have been seen building

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bridges, not only between themselves as major trading partners, but more importantly with developing countries. At the same time, we have seen the phenomenon of a much more structural and enhanced coordination between developing countries. Their common positions and the growing assertiveness with which they were presented constituted a coming of age of developing countries within the WTO system and much to its benefit.

We have to build on this experience in the actual negotiations, which are off to a good start. The momentum of Doha was not lost and members managed to agree on the structure of the negotiations and the chairs of the different negotiating bodies. They also agreed on the principles and practices of the negotiating process with due emphasis on inclusiveness and transparency. Yet it will continue to be quite a challenge for a consensus-based and member-driven organization of 144 members to conclude within three years such a wide-ranging negotiation as was launched at Doha. It will call for a lot of confidence building in the initial phase up to the 5th Ministerial Conference and above all delivering upfront on the promises for increased and better coordinated technical assistance and capacity building.

## THE DOHA DEVELOPMENT AGENDA

Developing countries obtained a meaningful implementation package. Since Seattle, implementation had become the overriding development issue, indeed, going well beyond the strict notion of implementing the Uruguay agreements. In fact, it has become a kind of re-balancing exercise of the WTO rights and obligations, in favour of developing countries. The overall result may even have exceeded their own expectations. The immediate results of the implementation exercise were, by all means, positive; moreover the remaining implementation issues will now be part and parcel of the ne-

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gotiating agenda of the new round.

The declaration on TRIPS and Public Health can be considered as a landmark agreement in terms of public relations vis-à-vis the developing world. While it preserves the rights and obligations of the TRIPS agreement, it clarifies the flexibility of the agreement in such a way as to provide greater confidence that developing countries will be able to promote access to medicines for all.

The negotiating agenda also caters very extensively throughout to the interest and concerns of developing countries: tariff peaks, agriculture and trade defence measures are all chapters that will open new opportunities for these countries. The declaration contains specific commitments to the integration of the least-developed countries (LDCs) into the global economy. WTO members also agreed to innovative work on the specific situation of small and vulnerable economies, as well as the examination of inter-relationships between trade, debt, finance, and technology transfer.

Last but not least, throughout the declaration, particular emphasis is

given to special and differential treatment and the need to enhance technical cooperation and capacity building. As far as the latter is concerned, direct links have been established between capacity building and the assumption of new obligations as a result of the negotiations. On a broader note, WTO members now explicitly recognize and support efforts to make trade a coherent part of the development strategies and programs.

## TECHNICAL ASSISTANCE AND CAPACITY BUILDING

The Doha agenda contains a strong commitment to a comprehensive strategy for trade-related technical assistance (TRTA) and capacity building (CB) both in relation to existing agreements and in support of full participation in future negotiations, as well of the implementation of their result. Technical assistance and capacity building activities should be designed to assist developing countries, LDCs, and low-income countries in transition

- to adjust to WTO rules and disciplines, implement obligations, and exercise the rights of membership;
- to enhance the negotiating capacity (in particular on Singapore issues and trade and environment);
- to build capacities for formulating and implementing trade policies;
- to mainstream trade-related technical assistance in the national poverty reduction programs (integrated framework);
- to facilitate and accelerate negotiations with acceding LDCs;
- to enhance technical assistance to non-residents in Geneva; and
- to make full use of information technology and technical assistance tools.

The challenge is not so much one of funding. It will be one of speedy delivery of TRTA/CB, of its quality, of its relevance to the WTO agenda, and of the objective and unbiased nature of policy advice that developing countries will be offered in TRTA/CB programs.

This will call for collaborative initiatives with other multilateral agencies and an effective coordination between them and donor countries. Particular attention should be given to the identification of the needs of recipient countries.

## **GLOBALIZATION AND GLOBAL GOVERNANCE**

As far as the European Union was concerned, it had two major strategic objectives for Doha. It sought comprehensive trade liberalization, not least to restore business confidence, but at the same time it wanted a strengthening of the rules-based trade system. In other words, more market access on the one hand, but balanced by more rule making in order to harness the overall process of globalization.

Second, the European Union did want a round that focused on *development*, not just the direct trade interest of developing countries but sustainable development in the system. No doubt, our strategic objectives were much more ambitious than those of most of our major trading partners, including the United States.

A main achievement of Doha is that it moves the WTO away from being a forum focusing simply on trade liberalization to a rule-making organization in an area essential for global governance. Doha will contribute crucially to improved governance by expanding trade-related matters subject to global rules in such areas as investment, competition, trade facilitation, and government procurement.

Both in the Geneva process and in Doha itself there has been much to do about the so-called new issues, particularly about investment and competition. The major difficulty was not the opposition of countries that had substantive difficulties in including these items in the negotiating agenda. In fact, there were only very few developing countries that were not *willing* to engage in this direction. The overwhelming majority of the so-called opponents recognized the merits of a multilateral framework for both investment and competition

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policies but did not feel ready to engage in negotiations due to the lack of institutional capacity and human resources.

### **A MULTILATERAL FRAMEWORK**

A multilateral framework for foreign direct investment will ultimately benefit developing countries while preserving the right to regulate by the host government. It is likely that most WTO members will be ready to comply with the principles to be included in the investment framework (transparency and non-discrimination) and that the GATT-type bottom-up approach for the admission of investors will allow for the necessary flexibility.

As far as competition is concerned, the Doha Declaration rightly focuses attention on the need to respond to the particular interests and concerns of developing countries. It explicitly recognizes the need for flexibility and enhanced technical assistance. Most developing countries will acknowledge that the introduction of competition policies, sooner rather than later, would be to their benefit and enhance competitiveness of their industries. Moreover, one has to recognize that competition policies and competition authorities aim principally to protect the weaker within the economic system: be it consumers, small- and medium-sized enterprises, or developing economies.

Doha will also contribute to increased international policy coherence

as it provides for negotiations leading to clarification of the status of multilateral environmental agreements (MEAs) in relation to the WTO. The Development Agenda will contribute to improved global governance by addressing the concerns of developing countries on implementation and by mainstreaming the development dimension into all individual negotiations. This will ensure that developing countries are integrated equitably into the world economy and help them to reap the benefits of trade and investment liberalization through complementary policies.

The preparation of Doha has also been instrumental in triggering the ILO process on the social dimensions of globalization. The establishment of the World Commission will provide a useful global framework for moving this issue forward in a way that other international organizations, including WTO, can contribute to this process.

### **WTO REFORM**

As far as WTO reform is concerned, it will be more and more difficult to combine the fiction of a member-driven organization with 144 members and the need for efficiency. Internal transparency and inclusiveness are by all means important features of any organization. Within the WTO we have come a long way in this respect since Seattle. But it has to go hand in hand

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ners” and exclude “troublemakers.” For the moment, civil society bodies have ample positive incentives to enhance their credentials, including increased access to and influence on governance institutions, increased support from the wider public, increased backing from funders, and increased internal cohesion within the associations themselves.

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blocks in the path of the neoliberal engine, which in fact is getting its fuel from local polity and bureaucracy? Or should anti-globalization activists be a part of the process in a way that influences the terms of reference defining the movement and pace of the neoliberal engine?

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with enhanced efficiency. A rule-making organization such as the WTO should have more resources, both human and financial, and should be more management driven. It should have mechanisms that allow for routine decisions, both on management and on substance without going through the cumbersome process of the General Council. It should also allow initiatives to be taken by the director general on substantive issues. Last but not least, the organization should be able to take decisions in improving, adapting, and clarifying rules outside a round or a single undertaking.

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global governance is, in all likelihood, bound to grow and intensify. After 9/11, most observers concluded that the movements’ resistance had reached its peak at the G8 meetings in Genoa, in August 2001. But, by March 2002, the movement had rebounded with over 500,000 protestors on the streets of Bar-

### THE CHALLENGE

Civil society agitation has grown in recent years to become a prominent feature of the politics of the global economy. Already, this activity has had notable policy impacts, and it could go on to acquire a much more substantial role. If and as this happens, it will be all the more important for the movement to have capacities for critical self-regard

### HOPE, JUSTICE, AND EQUITY

It is always difficult to conclude with respect to movements, happenings, and situations in a state of flux. One can offer only an opinion about the level of maturity of this flux, the rate of change, and the type of energy that this change creates. The anti-globalization move-

and proactive self-improvement.

So neither implacable skeptics nor romantic enthusiasts have had it right regarding civil society engagement of global economic governance. This development has considerable positive potentials along with substantial negative possibilities. The challenge will be to maximize the benefits and minimize the harm. ❁

ment and the processes that are significant in defining its dynamics are indeed in a state of flux. What one can conclude from the discussions above is that this flux is indeed maturing and its momentum is spreading positive energies of hope, justice, and equity at local, national, and international levels. ❁

One cannot contemplate WTO reform without addressing the question of external transparency and accountability. Both have to start at home through a greater involvement of civil society and national parliaments in WTO matters, which call nowadays for a much broader constituency than the traditional trade policy community. We need to find the ways and means for a greater involvement of civil society and parliaments in Geneva as well. Otherwise transparency will be limited and accountability will suffer.

We are not likely to get there in the immediate future but we should reflect

on it. The globalization process should be matched by the capacity of the rule-making body to live up to it. At the same time we have to realize that the WTO on its own cannot eradicate poverty, ensure sustainable development, or promote our labour standards. The Doha Declaration usefully reminds us of this.

Other international organizations—Bretton Woods and the UN—will need more coherence and complementarity between themselves and with national governments. Only then can we respond to the challenges of globalization and address the needs of the developing world. ❁

celona at the European Union summit. Despite the anti-terrorist legislation and the concurrent criminalization of dissent that is sweeping across the world, the resistance is escalating, particularly in Europe and parts of the third world. Here, in North America, the events of 9/11 and the anti-terrorism legislation

has, for the time being, cast a cold blanket over this kind of protest activity. Undoubtedly, this will affect the G8 protests in Kananaskis this summer. But, even here, the crisis of legitimacy swirling around the WTO’s global governance will continue to spark new waves of resistance in the future. ❁