Canadian agriculture and the Doha agenda: The changing negotiation process

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CATPRN Workshop

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Motivation

- new political coalitions seem to have formed, unformed and reformed during the negotiations
- role of Canada seems obscure

1. are institutional factors part of the problem with the Doha round?
2. can Canada influence the outcome?
The confusing Doha process

- Ministerial Conferences
- Formal meetings in Geneva
  - General Council
  - TNC
  - Negotiating groups
- Informal meetings
  - We have been trying to track who holds what meetings, both ministers and senior officials
  - For example, farm trade meetings in fall 2005
<table>
<thead>
<tr>
<th>Date Range</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>13, 14 Dec, Hong Kong</td>
<td>G-10, G-33, Cairns Group Ministerials</td>
</tr>
<tr>
<td>2-3 Dec, London</td>
<td>G-7 Finance Ministers</td>
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<tr>
<td>2-3 Dec, Geneva</td>
<td>G-6 Senior Officials</td>
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<tr>
<td>30 Nov, Brussels</td>
<td>G-90 Ministerial</td>
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<td>29 Nov, Brussels</td>
<td>ACP Ministerial</td>
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<tr>
<td>23-24 Nov, Arusha</td>
<td>African Union Ministers of Trade</td>
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<tr>
<td>22 Nov, Geneva</td>
<td>New G-5 ministers Brazil, EU, India, Japan, USA</td>
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<td>20 Nov, Geneva</td>
<td>FIPs plus friends meeting</td>
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<tr>
<td>15-16 Nov, Busan</td>
<td>17th APEC Ministerial</td>
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<td>9 Nov, Geneva</td>
<td>G-20 ministerial</td>
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<tr>
<td>8-9 Nov, Geneva</td>
<td>Geneva mini-ministerial</td>
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<tr>
<td>7-9 Nov, Geneva</td>
<td>FIPs meeting</td>
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<tr>
<td>7 Nov, London</td>
<td>New G-5</td>
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<tr>
<td>21 Oct, Geneva</td>
<td>G-20 meeting</td>
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<tr>
<td>20 Oct, Geneva</td>
<td>FIPs plus friends meeting</td>
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<tr>
<td>19 Oct, Geneva</td>
<td>FIPs meeting</td>
</tr>
<tr>
<td>12 Oct, Geneva</td>
<td>FIPs plus friends meeting</td>
</tr>
<tr>
<td>12 Oct, Geneva</td>
<td>FIPs meeting</td>
</tr>
<tr>
<td>12 Oct, Geneva</td>
<td>G-4 meeting Brazil, EU, India, USA</td>
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<tr>
<td>11-12 Oct, Geneva</td>
<td>G-20 ministerial</td>
</tr>
<tr>
<td>10 Oct, Zurich</td>
<td>Zurich mini-ministerial</td>
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<tr>
<td>9-10 Oct, Zurich</td>
<td>Senior officials meeting</td>
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</tbody>
</table>
The past

- Kennedy Round
  - “Bridge Club” (US, EEC, the United Kingdom, Japan, and Canada)
- Tokyo Round
  - EC, U.S. domination
  - Quad emerges de facto
- Uruguay Round
  - EC, U.S. prominence
  - Quad
  - Cairns Group
  - de la Paix group
  - G-10 (Brazil, India blocking role)
  - Informal dinners
- And now, with 149 Members…
Recent new

African Group

ACP

LDCs

G–90

G–20

G–25

G–10

G–1

Cairns Group

Thanks to ICTSD and WTO
Groups relevant to agriculture

- Regional groups (S/S)
  - ACP
  - African Group
  - LDCs
  - G-90 (2003; provoked by “Singapore issues”)

- Offensive Coalitions
  - C-4 (2003; S/S, cotton)
  - Cairns Group (1986; agriculture exporters)
  - G-20 (2003; S/S, Brazil with India, China, South Africa, others)
    - Major source of ideas now

- Defensive coalitions
  - G-10 (2003; importers)
  - G-33 (2003; S/S, developing country agriculture importers)
  - Recent accession; Small & vulnerable

- Cross-coalition
  - G-4 (2005; USA, EU, Brazil, India)
  - FIPs (2004; add Australia)
  - G-6 (2005; add Japan)
  - FIPs Plus (2005; add Canada, Argentina, China, Japan, New Zealand, Switzerland)

- Managerial (right term?)
  - Mini-ministerials (2001; 30)
  - Green Room/CCG (1980s? 30)
  - “senior officials” (2006; U.S., EU, Brazil, India, Australia, Japan, Canada, Egypt, Malaysia, Norway)
  - Analytic burden sharing??

- NB different for NAMA, services, etc
Potential explanatory factors
(for a qualitative political scientist…)

1. Power
2. Issues
3. Institutional design (modalities)
4. Learning
5. Small group theory
1. Power in a changing world

Institutional power
- based on norms of the regime
- Single Undertaking and consensus decision-making
  - power to influence agenda
  - power to block consensus on decisions

Compulsory power
- material resources
- normative resources
  - claims based on justice for developing countries, in general but especially for the poorest
  - Example: 2 stage explanation of G-20

## Leading exporters and importers, merchandise, 2004

<table>
<thead>
<tr>
<th>Exporters</th>
<th>Value</th>
<th>Share</th>
<th>Importers</th>
<th>Value</th>
<th>Share</th>
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</thead>
<tbody>
<tr>
<td>Extra-EU (25) exports</td>
<td>1203.8</td>
<td>18.1</td>
<td>United States imports</td>
<td>1525.5</td>
<td>21.8</td>
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<tr>
<td>Extra-EU (25) imports</td>
<td>1280.6</td>
<td>18.3</td>
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<td><strong>2 United States</strong></td>
<td>818.8</td>
<td>12.3</td>
<td><strong>3 China</strong></td>
<td>561.2</td>
<td>8.0</td>
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<tr>
<td><strong>3 China</strong></td>
<td>593.3</td>
<td>8.9</td>
<td><strong>4 Japan</strong></td>
<td>454.5</td>
<td>6.5</td>
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<tr>
<td><strong>4 Japan</strong></td>
<td>565.8</td>
<td>8.5</td>
<td><strong>5 Canada</strong></td>
<td>316.5</td>
<td>4.8</td>
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<td><strong>5 Canada</strong></td>
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<tr>
<td><strong>6 Hong Kong, China domestic exports</strong></td>
<td>265.5</td>
<td>4.0</td>
<td><strong>6 Hong Kong, China retained imports</strong></td>
<td>272.9</td>
<td>3.9</td>
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<td><strong>re-exports</strong></td>
<td>245.6</td>
<td>3.7</td>
<td><strong>7 Korea, Republic of</strong></td>
<td>224.5</td>
<td>3.2</td>
</tr>
<tr>
<td><strong>7 Korea, Republic of</strong></td>
<td>253.8</td>
<td>3.8</td>
<td><strong>8 Mexico</strong></td>
<td>206.4</td>
<td>3.0</td>
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<td><strong>8 Mexico</strong></td>
<td>189.1</td>
<td>2.8</td>
<td><strong>9 Taipei, Chinese</strong></td>
<td>168.4</td>
<td>2.4</td>
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<tr>
<td><strong>9 Russian Federation</strong></td>
<td>183.5</td>
<td>2.8</td>
<td><strong>10 Singapore</strong></td>
<td>163.9</td>
<td>2.3</td>
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<tr>
<td><strong>10 Taipei, Chinese</strong></td>
<td>182.4</td>
<td>2.7</td>
<td><strong>11 Singapore domestic exports</strong></td>
<td>179.6</td>
<td>2.7</td>
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<tr>
<td><strong>re-exports</strong></td>
<td>98.6</td>
<td>1.5</td>
<td><strong>11 Switzerland</strong></td>
<td>111.6</td>
<td>1.6</td>
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<tr>
<td><strong>12 Malaysia</strong></td>
<td>126.5</td>
<td>1.9</td>
<td><strong>12 Australia</strong></td>
<td>109.4</td>
<td>1.6</td>
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<td><strong>13 Saudi Arabia</strong></td>
<td>126.2</td>
<td>1.9</td>
<td><strong>13 Malaysia</strong></td>
<td>105.3</td>
<td>1.5</td>
</tr>
<tr>
<td><strong>15 India</strong></td>
<td>97.3</td>
<td>1.4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>14 Switzerland</strong></td>
<td>118.5</td>
<td>1.8</td>
<td><strong>16 Russian Federation</strong></td>
<td>96.3</td>
<td>1.4</td>
</tr>
<tr>
<td><strong>15 Thailand</strong></td>
<td>97.4</td>
<td>1.5</td>
<td><strong>17 Thailand</strong></td>
<td>95.4</td>
<td>1.4</td>
</tr>
<tr>
<td><strong>16 Brazil</strong></td>
<td>96.5</td>
<td>1.5</td>
<td><strong>18 Brazil</strong></td>
<td>65.9</td>
<td>0.9</td>
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<td>86.4</td>
<td>1.3</td>
<td><strong>19 South Africa</strong></td>
<td>57.1</td>
<td>0.8</td>
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<tr>
<td><strong>United Arab Emirates</strong></td>
<td>82.8</td>
<td>1.2</td>
<td><strong>20 Indonesia</strong></td>
<td>54.9</td>
<td>0.8</td>
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<tr>
<td><strong>19 Norway</strong></td>
<td>81.8</td>
<td>1.2</td>
<td></td>
<td></td>
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<tr>
<td><strong>20 India</strong></td>
<td>75.6</td>
<td>1.1</td>
<td></td>
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</tr>
</tbody>
</table>

# Exports of agricultural products, 2004

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>Value (million dollars)</th>
<th>Rank by % share in economy merchandise exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>United States</td>
<td>79567</td>
<td>New Zealand</td>
</tr>
<tr>
<td>2</td>
<td>extra-EU (25) exports</td>
<td>78410</td>
<td>Argentina</td>
</tr>
<tr>
<td>3</td>
<td>Canada</td>
<td>40100</td>
<td>Brazil</td>
</tr>
<tr>
<td>4</td>
<td>Brazil</td>
<td>30853</td>
<td>Australia</td>
</tr>
<tr>
<td>5</td>
<td>China</td>
<td>24121</td>
<td>Canada</td>
</tr>
<tr>
<td>6</td>
<td>Australia</td>
<td>22101</td>
<td>India</td>
</tr>
<tr>
<td>7</td>
<td>Argentina</td>
<td>17082</td>
<td>United States</td>
</tr>
<tr>
<td>8</td>
<td>New Zealand</td>
<td>12157</td>
<td>South Africa</td>
</tr>
<tr>
<td>9</td>
<td>Mexico</td>
<td>11358</td>
<td>extra-EU (25) exports</td>
</tr>
<tr>
<td>10</td>
<td>India</td>
<td>8964</td>
<td>Mexico</td>
</tr>
<tr>
<td>11</td>
<td>Japan</td>
<td>5468</td>
<td>China</td>
</tr>
<tr>
<td>12</td>
<td>Korea, Republic of</td>
<td>4984</td>
<td>Korea, Republic of</td>
</tr>
<tr>
<td>13</td>
<td>South Africa</td>
<td>3619</td>
<td>Japan</td>
</tr>
</tbody>
</table>

2. Changing issues

- Food security becomes development box becomes “special products”
  - how should small-scale/peasant agriculture be handled?
- Are some products too “sensitive” for real reform?
- Are cotton, bananas, preference erosion and losses to net food importers different?
- Such change both
  - necessitates learning (how do Members know what they want?)
  - forces reconsideration of allies
3. If learning matters

- It starts at home
- Involves ministers, officials and the public, reciprocally
- Takes place within and between Groups
- Has institutional design implications (e.g. Groser process)

- Question: does this process affect the Doha outcome?
3. Multilateral modalities

- Single Undertaking precludes minilateral deals
- Rules and domestic policies inherently MFN
- Principal Supplier rule replaced by formula
  - Request and Offer limits interest of large market Members in negotiations with small market Members.
  - R&O especially problematic for GATS
- Special and Differential treatment morphing into de facto differentiation
  - Still have variable geometry (universal principle/national implementation)
Implication of modalities

- New rules apply to all
  - Voice matters: all want to participate
  - Exit difficult for any country
  - Any Member can deny consensus

- More roles for small groups and coalitions
4. Are all the groups “coalitions”?

- “a set of governments that defend a common position in a negotiation by explicit coordination.” (Odell 2006)

- Limitation: excludes cross-coalition or heterogeneous, small groups, e.g. FIPs, new Quad
  - common interest in finding compromise, or merely the principal antagonists?
Small group theory

- Homogenous groups
  - Common characteristics (blocking?)
  - Issue-specific (make proposals?)

- Heterogenous groups
  - Cross-coalition (negotiating?)
  - Managerial

- Coalitions only defend an interest-based position? Some could be occasions for learning, especially cross-coalition groups
  - “most of the work in multilateral exchanges does not involve negotiation at all. [...] It is not the staking out of positions, from which concessions are subsequently made, that best characterizes the work that takes place in multilateral encounters. Building group consensus, through the dynamics of group process, is the key feature.” (Rubin and Swap, 1994)
Where is Canada?

- Old Quad does not meet; Canada not in the smallest cross-coalition groups.
  - Canada marginalized by lobbies, or minority parliament?

- Canada still in:
  - Cairns Group
  - FIPs Plus
  - New “senior officials” group
  - Mini-ministerials
  - Green Room/CCG
  - informal dinners?
Can Canada influence the outcome?

Fair assessment (especially if learning matters):

“our ability to influence the negotiations will continue to be directly related to our ability to generate constructive ideas, and to work on building consensus around ideas that ultimately help to advance our own negotiating objectives.”
Institutional obstacles to the round?

- Proliferating groups not an obstacle, in principle
  - Which coalitions must be represented in small group meetings?
  - How do we know if a group has critical mass?
- **BUT**: is there a problem moving from learning to bargaining?  
  (“Members need to talk to each other”)
- Problem with bottom-up vs text-based?
  - Are Members in the room the agents of principals outside?
  - Will principals be happy if a Chair’s text emerges from the room, without their views explicitly noted?
- Is the round as a whole too complex?
- More mini-ministerials helpful? General Council in July, with ministers present? More involvement of senior officials a good thing
- Also a Leaders meeting?
Paul Martin’s L-20, without him?

- "Alphonse and Gaston" routine? Progress on agriculture is dependent on market access for goods, which is dependent on high quality offers in services, which is dependent on agriculture…
- Lula wants a Summit. Schott (FT) says invite "countries whose policy reforms are crucial to the success of the WTO venture."
  - which countries are crucial?
- G-7 Summit contributions to Tokyo Round in 1978 and Uruguay Round in 1993
  - told trade ministers to get the job done
  - signalled willingness to support at home
  - did not make any decisions: would not want to be responsible for agriculture domestically
In sum

- Canada’s ability to influence the outcome is undiminished
- Institutional evolution is probably increasing the prospects for a successful outcome