

Committee: WTO; World Trade Organization

Agenda Item: Re-creating the Doha Round: Finding ways for international consensus

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Introduction

The Doha Round, officially the Fourth World Trade Organization (WTO) Ministerial Conference and commonly known as the Doha Development Agenda (DDA), was a series of trade negotiations held among World Trade Organization (WTO) Member States in November 2001. The Doha Round aimed to achieve major reforms in the international trading systems to lower trade barriers between countries and revise trade rules for countries to engage in international trade more freely than ever.



Picture 1: The Doha Round in 2001

The round covered about 20 main areas of negotiations such as agriculture, non-agricultural market access, services, intellectual property, trade and development, environment, trade facilitation, and WTO rules. The initial goal of these talks was to conduct large-scale reforms in the international trade system by introducing new trade regulations and lowering trade barriers, emphasizing support for developing nations. Although the Doha Round was expected to include all Member States of the WTO, participation was limited regarding countries' interests and priorities.

During the talks, ministers acknowledged the hurdles developing countries such as Sri Lanka, Chile, Morocco, and others faced in implementing current WTO agreements. They agreed to prioritize solving these problems as part of the negotiation process.

Developing countries and LEDCs faced challenges that included limited resources, struggles to meet WTO trade standards, and insufficient capacities in domestic facilities. The ministers aimed to review how trade regulations could be reformed to make them more equitable and inclusive of developing countries.

Lastly, it should be noted that developing and developed countries are currently in a status quo where developing and developed states want opposite things to occur for agricultural tariffs. This conflict arises from the agenda of the Doha Round and delegates should consider this conflicting side of the issue when reaching a solution.

Definition of Key Terms

Agricultural subsidy: An agricultural subsidy is generally an economic fund paid to farmers or workers in agricultural operations. This financial support usually comes from unions' programs or governments such as the European Union's (EU) Common Agricultural Policy (CAP) or the United States' help for small farmers.

Consensus building: Consensus building is the international process of countries or relevant parties trying to reach a unanimous or near-unanimous agreement on an issue. This will be relevant to the issue as the Doha Round was created to reach a consensus on international trade agreements.

Developed country: A developed country is a sovereign state that has a high quality of life, a developed economy, and advanced technological infrastructure relative to other nations with less industrial development. Gross domestic product (GDP), GDP per capita, and other factors mostly decide on a developed country.

Developing country: A developing country is a sovereign state that has a low quality of life and a lower human development index (HDI) relative to other countries (IDEAS/RePEc). However, the definition of “developing country” is not universally agreed upon as some nations recognize only developed and under-developed countries.

Doha Round/Doha Development Agenda (DDA): The Doha Round was established to make trading between the nations a lot easier with international consensus between the Member States of WTO to take action. DDA was established with the full participation of all Member States of the WTO, aiming to develop Less Economically Developed Countries (LEDCs) to improve their trade rules and regulations and have international agreements with Member States to achieve a better global trade market.

Tariff: A tariff is a tax imposed by the government of a country or by a supranational union on imports or exports of goods. Besides being a source of revenue for the government, import duties can also be a form of regulation of foreign trade and policy (Canada Commons).

Trade facilitation: Trade facilitation is the process of simplifying and speeding up trade processes, such as customs and border control for exported goods to reduce costs and delays in international trade practices. It aims to make trading easier especially for developing countries.

Trade barrier: A trade barrier is a government-based restriction imposed on the free exchange of goods and services between countries. These trade barriers include tariffs, quotas, import licenses, and subsidies. Trade barriers are the very thing that aimed to be reduced or at least be debated on the Doha Round to reach ease on international trade.

World Trade Organization (WTO): The World Trade Organization (WTO) is the only international organization dealing with the rules of trade between nations. At its heart are the WTO agreements, negotiated and signed by the bulk of the world’s trading nations and ratified in their parliaments. (wto.org)

Status quo: The status quo is the present state of a situation. If one were to argue the conservation of the status quo for the situation regarding international consensus in diplomatic meetings of the Doha Round, they would mean keeping the current tensions between developing and developed countries.

Major Actors Involved

World Trade Organization (WTO)

The WTO is the overarching body that facilitates the Doha Round and international consensus. The WTO includes 164 Member States, representing around 98% of international global trade. With that, it is without a doubt that the WTO oversees trade negotiations, resolves economic/trade disputes, and ensures compliance with trade agreements between its Member States. With its commitment to development in international trade and consensus, the WTO has the significant role of administering the Doha Round. Even though this commitment is remarkable, it should be noted that Member States with diverse interests have slowed down the international consensus intended, so the delegates are expected to resolve this issue.

United States of America (USA)

As a major economic and trade power holder, the USA is one of the most important parties in the Doha Round. The party has constantly pushed for the liberalization of services, and market access for many industrial goods. Although the USA is the main stone of international trade both with North America and globally, it has faced serious opposition from developing countries because of its reluctance to trade agricultural goods internationally, which is one of the cornerstones of many developing countries globally. This tension between various Member States and the USA slowed down the negotiation process of the Doha Round.

The USA's aforementioned approach shows their international interests in the trade field but also complicates the efforts to reach a balanced agreement.

European Union (EU)

The EU, representing 27 Member States, has been a key advocate for addressing environmental concerns and labor regulations within international trade agreements. The EU has pushed for comprehensive acts of trade liberalization while protecting agricultural practices through subsidies under the Common Agricultural Policy (CAP). Although the intentions behind it seem positive, the EU's CAP unknowingly creates a monopoly benefiting farmers in the EU but undermining the agricultural practices in developing countries. This is unfortunately done by setting artificially low price tags for farmers in the EU leading to an overproduction rate. Additionally, the EU also imposes high trade tariffs on certain agricultural products, especially the ones coming from developing countries.

People's Republic of China (PRC)

As a rapidly growing economy-holder and a major exporter, China plays a crucial role in the Doha Round consensus. While the party recommends the reduction of trade barriers and trade tariffs for its benefit and a global free trade market idealism, it also states there should be special and different treatment for developing countries that request to protect the markets of Less Economically Developed Countries (LEDCs) from external shock that may come from a free trade market idea. This has caused some backlash on the Chinese government, especially coming from developing countries, that called China for deeper market access commitments. China's rapid economic growth has shifted the balance of the global trade market, but it has also contributed to the complexity and difficulty in concluding the consensus on the Doha Round as China tries to balance its domestic development goals with global trade wants.

India

India has been playing a major role in representing and being the voice of developing countries, especially advocating for agriculture's importance in global trade. India opposes trade liberalization which could potentially harm its agricultural practices which are the main livelihood for many small farmers in the country. India has been strongly defending food security and living of the ones in rural areas which has led to disagreements between developed countries due to their wants for a free global trade market. India's role in keeping development at the forefront of the Doha Round has contributed to the well-being of developing countries.

Cairns Group

The Cairns Group is a coalition of 19 agricultural-exporting countries, including Australia, Canada, and Argentina. This group advocates for reducing international tariffs on agricultural goods, aiming to create a fairer global trade market. The Cairns Group's united voice highlights the importance of liberalizing agricultural trade. Delegates may suggest creating groups such as the Cairns Group to overcome difficulties of the agenda item and international consensus.

General Overview of the Issue

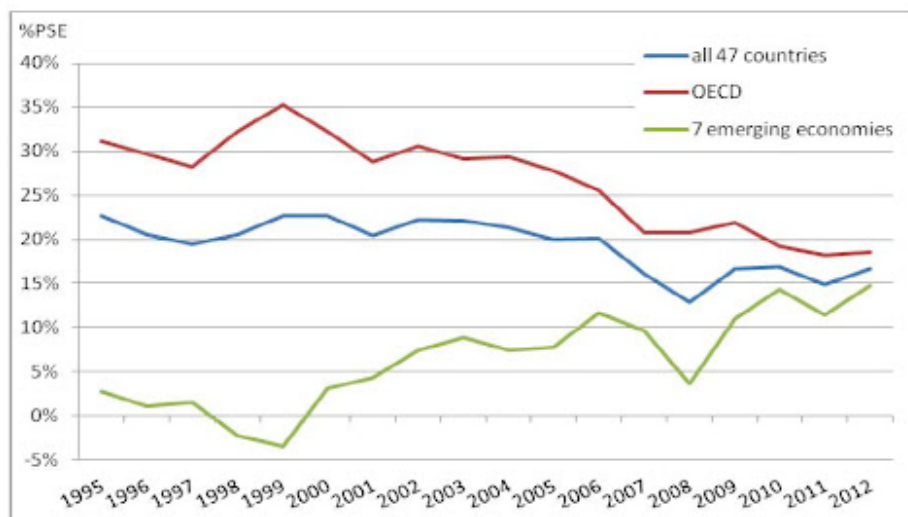
Negotiations at the Doha Round collapsed after WTO Member States failed to reach a consensus regarding farm subsidies, agricultural tariffs, and trade liberalization. British research economist Andrew Charlton argues that this outcome "was not a foregone conclusion" (Charlton 21). He claims that WTO members were close to reaching a deal, describing the talks as having well-defined parameters.

Developed countries like France and the United States were aware of the fact that compromises would have to be made to reach an agreement, yet after years of discussions with developing nations, no key player offered a conclusive settlement. Former Brazilian foreign minister Celso Amorim described the talks as “as near to a catastrophe as one can imagine” (qtd. in Charlton 21). The failure of the Doha Round had obvious symbolic implications for the World Trade Organization, undermining its credibility and planting distrust in developing nations.

Agricultural Subsidies, Reforms, and Trade Distortion

A major focus of the Doha Round is the promotion and reduction of agricultural subsidies. While agricultural subsidies without a doubt play a crucial role in promoting food security, rural development, and economic stability, some parties also argue that these subsidies also promote artificially low trade prices for agricultural products which harms the competitiveness of producers and farmers in developing countries due to high prices of agriculturing practices.

This is one of many reasons why international consensus is now locked at one point, discussions all contradict, developing countries defending the removal/reduction of subsidies whilst developed countries/areas such as the USA or EU do not give up on their agricultural reform programs such as CAP. The challenge behind reaching an international consensus is balancing the interests of almost all Member States of the WTO.



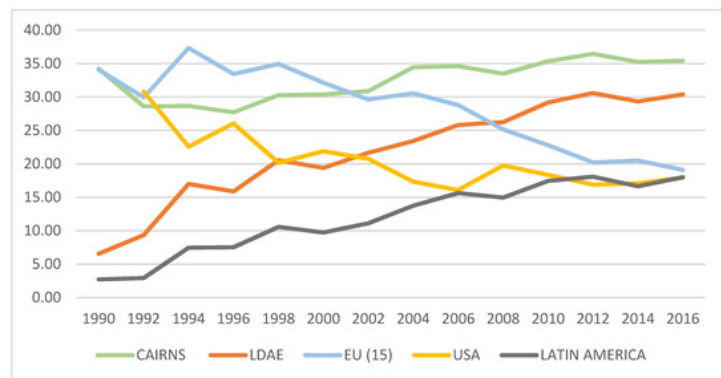
Source: [Tangermann](#), 2014

Graph 1: Producer Support Estimate as a Share of

Trade Tariffs Imposed on Exports

Export tariffs—taxes levied on goods leaving a country—play both a protective but often a distortionary role in international trade. The implications of these tariffs are complex and almost always depend on what goods they are imposed upon. Although it is stated that these external tariffs create revenue for the government and promote domestic industrialization, tariffs are the biggest blockade for international trade. Export tariffs increase the cost of goods for foreign buyers, making the country’s market less attractive in the global market; leading to inefficiencies by altering supply and demand. For example, discouraging exports might result in surplus goods domestically, lowering prices for producers and overall affecting their profitability.

The Doha Round extensively seeks to reduce trade tariffs due to their limiting impact on the global trade market. The main issue with it however is some parties defend the export tariffs as being beneficial for their country’s good. Delegates should balance out these perspectives to bring an eligible solution for this matter.



Graph 2: Country shares for world exports of continental products

Special and Differential Treatment for Developing Nations

The Doha Round highlights provisions for Special and Differential Treatment (SDT) for Least Developed Countries (LDCs) and developing countries to address unique challenges faced such as a shock on the internal economies of underdeveloped countries that would be caused by the idea of a free trade market.

This idea was proposed by developed countries such as the PRC and the USA to remove external factors that block any trade interactions that could happen between Member States of the WTO. The SDT comes in place in a scenario like this as this idealism would mean the removal of trade tariffs and undermining the trade of developing/underdeveloped countries.

These SDT measures could include longer implementation periods for trade agreements from the Doha Round, technical assistance, and preferential market access. Although these measures would be highly beneficial for LDCs, critics also argue that the measures are often symbolic rather than transformative, failing to address trade barriers in developing countries.

Key Factors in Consensus Building

Building consensus requires a clear, comprehensive, and practical agenda that balances the diverse interests of both developed and developing countries. Addressing divisions in agricultural policies by lowering subsidies, guaranteeing equitable market access, and helping developing nations strengthen their capacities to grow are crucial components of consensus building. Compromise and flexibility, reinforced by extra support for developing countries, are essential. Building trust, transparency, and effective leadership are important for encouraging cooperation and settling disputes. Moreover, external pressure from nongovernmental organizations (NGOs) and corporations, alongside economic crises, can spur unity and urgency in talks.

Economic Impacts

If put into effect, the Doha Development Agenda would have boosted global economic growth by 0.2% annually and increased real income by 59 billion USD and world commerce by 1.46% (336 billion USD). Agreements in machinery, electronics, and chemicals could add another 146 billion USD to global export benefits, bringing them up to 505 billion USD each year.

On the other hand, protectionist policies could reduce world trade by 728 billion to ~1.77 trillion USD, with agricultural exports from developing countries being especially negatively impacted. Securing a solution for the DDA is economically crucial as failure to do so could result in large trade losses of hundreds of billions of US dollars.

Timeline of Important Events

Date:	Event:
November 2001	The Doha Round is launched in Doha, Qatar. The talks stall and fail to reach a conclusive solution.
September 2003	The Fifth WTO Ministerial Conference takes place in Cancun, Mexico. Talks collapse because of disagreements regarding market access and agricultural subsidies.
July 2004	Negotiations centering on tariffs, economic development, and agriculture continue and end with the circulation of the “July 2004 package.”
July 2008	After a nine-day debate, talks in Geneva regarding the July 2008 package collapsed over disagreements about agriculture and tariffs.
December 2015	The Tenth WTO Ministerial Conference takes place in Nairobi, Kenya. Member States acknowledged their differences surrounding the Doha Round and decided to shift their focus away towards alternative approaches.

Related Documents

“Doha Ministerial Declaration.” World Trade Organization:

https://www.wto.org/english/thewto_e/minist_e/min01_e/mindecl_e.htm.

“The Doha Round and Agriculture.” European Parliament:

https://www.europarl.europa.eu/RegData/etudes/fiches_techniques/2017/N51836/doc_en.pdf.

“The Doha Round Texts and Related Documents.” World Trade Organization.:

https://www.wto.org/english/res_e/booksp_e/doha_round_texts_e.pdf.

“The WTO Doha Trade Round—Unlocking the Negotiations and Beyond.”

International Monetary Fund (IMF):

<https://www.imf.org/external/np/pp/eng/2011/111611.pdf>.

Past Solution Attempts

Numerous attempts have been made since the Doha Round to solve the issues at hand and secure a collective agreement. These bids include both official talks among WTO Member States and informal discussions outside the WTO framework. Among the first of these attempts was the Fifth WTO Ministerial Conference which took place in Cancun, Mexico, in September 2003. The main objective of this conference was to resolve standstills on agricultural tariffs and subsidies. The conference failed to achieve its goal as developing countries such as India and Brazil rejected motions from developed countries. The Ninth WTO Ministerial Conference, held in Bali, Indonesia, in December 2013, produced the Trade Facilitation Agreement, but this was only part of what the Doha Round aimed to achieve. Moreover, the Tenth WTO Ministerial Conference, which took place in Nairobi, Kenya, in December 2015, shifted its concentration further away from that of the Doha Round and effectively stalled discussions.

Other attempts for progress concerning the Doha Round have been made outside the framework of the WTO including smaller group agreements, reforms to the WTO, and the Aid-for-Trade Initiative. Despite these efforts, progress has been blocked by political disagreements, shifting trade concerns, and constant disputes between wealthy and developing countries. These events demonstrated that to achieve a global consensus, more flexibility is required in negotiations, in addition to increased aid for developing nations

Possible Solutions

Despite numerous attempts, reaching a comprehensive solution to the issues pushed forward by the Doha Round has proven difficult, however, possible solutions do exist. Recreating a conference that centers its focus on international consensus and mutual benefit requires new and innovative approaches. The adoption of smaller, more flexible agreements among willing Member States can achieve progress that would otherwise not be feasible without the consent of all parties. Simplifying customs regulations and lowering non-tariff trade barriers can help trade flow more smoothly.

Equity concerns can be addressed by offering fair solutions for agricultural subsidies and allowing developing countries more time to grow. Tackling major hurdles developing countries face on the path to economic expansion can create an environment of trust and stability among WTO Member States. Furthermore, strengthening the WTO's mechanisms for solving disputes among its members and receiving the support it needs from global leaders is key to pushing the negotiations forward.

Useful Links

Official WTO website: <https://www.wto.org/index.htm>

European Union review of the Doha Round:

https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/eu-and-wto/doha-development-agenda_en.

DDA fact sheet from the Office of the U.S. Trade Representative:

https://ustr.gov/archive/WTO/Doha_Development_Agenda/Fact_Sheets/Section_Index.html.

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<https://www.idos-research.de/en/the-current-column/article/the-doha-round-is-dead-long-live-the-wto/>.

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“Doha 4th Ministerial Declaration.” *WTO*,

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“Doha Round: What Are They Negotiating?” *WTO*,

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