

Failure at Cancun: Plenty of Blame To Go Around

Andrea Ewart

At the heart of the many reasons that led to the collapse of the Cancun Ministerial lies the organization's failure to address the capacity issues that afflict its developing country members. Yet, post-mortem discussions of the Cancun failure sidestep this issue.

The US Position

The United States position is that the talks failed because the “won’t-do countries” in the developing world, in particular the “Group of 21”, came unprepared to negotiate—bringing demands but no desire to give up anything in return.¹ Their refusal to negotiate on the “Singapore issues” is seen as the ultimate cause of the collapse of the talks. US anger is also directed toward the NGOs who, supposedly, facilitated and encouraged developing country intransigence.²

Developing Countries Respond

Developing countries came to Cancun with the complaint that their grievances from the Uruguay Round were not being satisfactorily addressed. A significant number of them want the developed world to remove their agricultural subsidies, but carry valid concerns about the effect of further opening their economies to agricultural exports. In their opinion, the Doha Declaration does not include an agreement to include the Singapore issues within the single undertaking of the Doha Round. They blame the collapse of the talks on the failure of the United States and the European Union to advance the agricultural negotiations.

Many Fingers Pointed to the EU

Most participants and observers agree that the E.U.’s much-heralded agricultural reforms gave too little, too late. It is widely accepted that the subsidies the E.U. gives to its farmers are one of the largest stumbling blocks to liberalizing world trade in agriculture. The United States, another egregious subsidizer, had advanced its proposals for reform early in the year. Consequently, negotiations were essentially at a standstill until the E.U. announced the long-awaited reforms to its Common Agriculture Policy (CAP). Because the reforms did not go far enough, the U.S. and the E.U. were tasked with negotiating a joint proposal on agricultural reform. Their proposal was announced in August, too late, it is widely believed, for WTO members to assess and respond by September. Furthermore, the E.U. came to Cancun insisting that the Singapore issues be included as trade-off. While they may have intended to provide the framework for negotiations, these developments all came too late to save the Cancun meeting.

WTO Dysfunction

¹ See for example the commentary by Mr. Robert Zoellick, the U.S. Trade Representative, in The Financial Times, Monday, September 22, 2003, p. 15.

² At the first Ministerial, which was held in Singapore, customs facilitation, transparency in government procurement, trade and investment, and trade and competition policy were first raised as negotiating issues.

Notably, Cancun is the fourth (out of nine) Ministerial to end in failure. Consequently, those who look to the WTO's structure to find the causes for this failure come much closer to the heart of the issue. The E.U.'s Pascal Lamy has called the process "medieval." Mr. Zoellick has said that the structure is cumbersome and the governing issues challenging. These statements refer to the consensus rule that governs the Ministerial, the WTO's decision-making body. A rule that gives one country the authority to veto decisions made by the majority of members appears dysfunctional in an organization of almost 150 countries. However, the capacity issues, which get much less attention, are a more serious threat to the organization.

Capacity Concerns

Most developing countries do not have the resources to participate effectively in the Ministerials. Their small teams are incapable of successfully covering all of the sessions, many of which are conducted simultaneously. Neither are they able, in real time, to respond to changes in the negotiating positions of other members. Understandably, this limitation has a dampening effect at a forum where an original position is expected to be just that, and on a process that is expected to consist of members' give and take. At past Ministerials, developing countries have accepted on faith the statements of the developed world that they would be better off if they just signed unto the commitments. They no longer believe this. They are no longer willing to rubberstamp agreements that they did not negotiate and may not understand. Given these realities, it is not surprising that they view as a success the unified exercise of their veto authority to stop the launch of negotiations on issues other than the ones they came prepared to discuss.

Nevertheless, a long-term and non-obstructive solution needs to be found. Building the capacity of the developing country members will ensure that they come better prepared and able to negotiate. There will be less need to rely on the outside resources of the NGOs. Keeping the agenda manageable, and giving sufficient lead time for analysis of members' proposal will ensure better participation at the meetings. There will be less need to fall back on the veto if they are truly part of the process. As the negotiating agenda moves away from tariffs and becomes increasingly complex, failure to address this basic issue can only lead to more outcomes like the Cancun meeting.

© Andrea M. Ewart, P.C., 2005. This article may be reprinted or republished with permission and attribution.