

BOOK REVIEW

THE WTO AFTER HONG KONG: PROGRESS IN, AND PROSPECTS FOR, THE DOHA DEVELOPMENT AGENDA

Edited by Donna Lee and Rorden Wilkinson

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The deadlock in the Doha Round of multilateral trade negotiations has been a subject of discussion in an number of studies, each dealing with different aspects of it, as well as the reasons for the failure in the negotiations as they have gone from Seattle to Hong Kong. However, a more comprehensive and detailed examination of the current state of the global trading system under the WTO, especially after the suspension of trade negotiations, has been highly needed. The volume edited by Lee and Wilkinson addresses this necessity — to examine and to evaluate “how and why the negotiations arrived at this point” and to provide a basis for the prospects for global trade relations, and for the future of the WTO system.

The book is organized in terms of a customary classification of issues (as observed in some other studies) starting with Part I (Chapters 1 and 2) proposing a *general setting* to understand the dynamics of the Doha Round; Part II (Chapters 3–5) examining *key issues* in the negotiations, namely agriculture, intellectual property and services (with the notable exception of NAMA); Part III (Chapters 6–10) analyzing the roles and functions of states as *principal players* in the negotiations; and finally

Part IV (Chapters 13–14) providing remarks concerning the impact of the Round on the WTO-based multilateral trading system.

Development must be assumed to be the center of gravity in the so-called “Doha Round,” which was launched with a declaration of a “development” agenda wherein it was openly stated that “international trade can play a major role in the promotion of economic development and the alleviation of poverty” (para. 2). This has compelling reasons. First of all, one must admit that the emergence of many developing countries as leading players in trade negotiations entails the reconsideration of their demands and expectations from the post-WTO trading system. These players can be assertive, either through their own negotiating powers (as in the case of Brazil, India or China) or through a mixture of country-coalitions to push off issues pertinent to their development objectives (like G-20, G-33, G-90 so on). Second, the correlation between trade and development, heretofore offered in theoretical studies, has in practice started to flourish in the trade policies of developing countries. Many developing countries are becoming more willing to take part in trade liberalization schemes as they sense possible gain in an open economy. Although the Uruguay Round provided a degree of market access for agricultural products as well as textile and clothing goods, which are crucial exports of developing countries, it is mostly considered to offer the lion’s share to industrialized countries. Therefore, the Doha Round has become vital for developing countries to re-balance the outcome or in Peter Kleen’s wording to “address the problems that the outcome of the previous round had created for developing countries” (see Kleen, 2008, *So Alike and Yet So Different: A Comparison of the Uruguay Round and the Doha Round*, Jan Tumlir Policy Essays, No.2, ECIPE).

In this context, *The WTO After Hong Kong* provides a detailed yet lucid and cogent assessment of the complex nature of the Doha Round, which is mostly dabbled in or is neglected in many superficial studies. It

addresses the dynamics of impasse by systematically referring to the reasons for the decline in the motivation of the actors.

Although a “single undertaking” interlocks all negotiation topics, a separate analysis — of all major subjects under the Doha work program — equipped with a comprehensive survey, helps to understand the intricate reasons for the failure in the negotiations. The agricultural talks have been the cornerstone of all Doha deals and had implications for success in all other topics. Clapp (in Chapter 3) summarizes clearly the role of “the Global South” in the dynamics and the substance of the agricultural chapter. She observes that despite their influential role, the developing countries have been exposed to the challenges of stubborn positions by the US and the EU, as well as divisive positions among themselves due to differing goals. Hoekman and Mattoo’s study (Chapter 5) calls attention to the developmental aspect of services — an area mostly regarded as exclusive for market access purposes of industrialized countries. This approach is innovative since it proposes to bring the developing countries back in the service negotiations.

The book brings into the foreground an essential characteristic (and outcome) of negotiations, that the ambitious agenda brought ambiguities for all countries which had to curtail the hopes from a gargantuan round, and that the both of these group of countries (developed and developing) have also a divergence of interests among themselves. Hence, for example, the book has several coherent articles providing a clear analysis as to how the expectations and aspirations of the actors were substantially ruptured as the negotiations proceeded. This is well-documented, with illustrative analytical examples concerning both developed countries — like in the case of the EU, which proposed an ambitious agenda but ended up with pruned requests as expressed by Young (Chapter 7), or the United States, albeit its hegemonic past, had a mercantilist trade policy approach to balance its trade deficits, a role not to be expected from a leader, under its current circumstances of domestic politics (Scott, Chapter 6). A similar state has also been

apparent for developing countries which entered into negotiations under a general rubric of development and special considerations of their status, but soon learned that they had to settle for “sweeteners,” as explained by Lee in the case of cotton–producer countries (in Chapter 8), or that diversified interests and contradictions among developing countries with different development levels gave rise to difficulties “in keeping together a broad–based coalition” as Taylor assesses (Chapter 9).

One point that needs further emphasis is Wilkinson’s (Chapter 14) righteous pessimism concerning the sustained asymmetrical system that the round brings, and the scaling down of the “developmental” nature of the Round therefrom. This analysis can be traced back to the author’s previous study (Wilkinson, 2006, *The WTO: Crisis and Governance of Global Trade*, London and New York: Routledge).

The widespread outcry about the way the negotiations were held in the WTO Doha Round, particularly stemming from the dissatisfaction of developing countries and non–governmental actors, requires a deeper examination. Perhaps because the book is mainly centered on the explanation of the bottleneck in the negotiations and the reasons for the suspension of talks, it does not address the institutional and constitutional problems of the WTO specifically, with the notable exception of Symthe (Chapter 12) which deals with arguments on internal legitimacy and transparency. Her discussion on input and output legitimacy is appropriate, but rudimentary throughout the entire book. Also, the book does not attempt to evaluate the impact of regional trade arrangements (RTAs) on WTO multilateralism either. While dealing with the prospect for the Round, the regionalism trend — contemplated to be one compelling challenge for the WTO system according several studies (including *The Sutherland Report* on the Future of the WTO; *The Warwick Commission Report* on The Multilateral Trade Regime, and *The UN Millenium Task Force Report* on Trade for Development) — needs further scrutiny, a point this volume overlooked.

Overall, the book is timely since it was written in the aftermath of the suspension of the negotiations in July 2006, and provides clues for the tiny possibility of success about WTO Director-General Lamy's attempts to resurrect the round. It contributes to the understanding on what is at risk in, not only the Round, but the WTO's rule-based system itself.