



Asia-Pacific Research and Training Network on Trade

Multilateralism in Crisis

By Peter Lloyd

ARTNeT Working Paper Series No. 114/June 2012

ARTNeT Working Paper Series

The ARTNeT Working Paper Series disseminates the findings of work in progress to encourage the exchange of ideas about trade issues. An objective of the series is to get the findings out quickly, even if the presentations are less than fully polished. ARTNeT working papers are available online at www.artnetontrade.org. All material in the working papers may be freely quoted or reprinted, but acknowledgment is requested, together with a copy of the publication containing the quotation or reprint. The use of the working papers for any commercial purpose, including resale, is prohibited.

Asia-Pacific Research and Training Network on Trade (ARTNeT) is an open regional network of research and academic institutions specializing in international trade policy and facilitation issues. IDRC, UNCTAD, UNDP, ESCAP and the WTO, as core network partners, provide substantive and/or financial support to the network. The Trade and Investment Division of ESCAP, the regional branch of the United Nations for Asia and the Pacific, provides the Secretariat of the network and a direct regional link to trade policymakers and other international organizations.

Disclaimer:

The opinion, figures and estimates are the responsibility of the authors and should not be considered as reflecting the views or carrying the approval of the United Nations, ARTNeT members, partners or authors' employers.

ARTNeT Working Paper Series
No. 114/June 2012

Multilateralism in Crisis

*By Peter Lloyd**

Please cite this paper as:

Lloyd, P., 2012. Multilateralism in Crisis. ARTNeT Working Paper No. 114, June, Bangkok, ESCAP. Available from www.artnetontrade.org.

* Professor Emeritus, Department of Economics, University of Melbourne, Parkville, Vic. 31010, Australia. The technical support of the United Nations Economic and Social Commission for Asia and the Pacific and ARTNeT Secretariat is gratefully acknowledged. This paper draws upon some of the analysis in Lloyd (forthcoming). Author is grateful for comments received from participants at the ARTNeT Seminar held on 9 February 2012 at UNCC, Bangkok. Any remaining errors are the responsibility of the author, who can be contacted at tel: +61 3 83445291, fax: 61 3 83446899, email: pjlloyd@unimelb.edu.au

Table of contents

Introduction	6
I. The scope of the WTO's Doha Development Round negotiations.....	7
II. The scope of the Climate Change negotiations	11
III. Why the negotiations have not produced an acceptable package.....	15
IV. Need for a shared vision and a new approach to the negotiations	21
V. The future of multilateralism.....	24
References	25
Annexes	28

Multilateralism in Crisis

Peter Lloyd

Abstract

There is a crisis in multilateralism. This paper examines multilateralism by looking at the two most important current efforts to devise new multilateral rules binding all nations; the negotiations in the World Trade Organization (WTO) of trade rules and the negotiations under the United Nations Framework Convention on Climate Change (UNFCCC) to devise rules restricting the annual emissions of greenhouse gases. Both negotiations have failed after several years of intensive effort.

There are remarkable parallels in these negotiations. Both have used the same approach to negotiations; consensus decision-taking, a bottom-up approach and differential treatment of developing countries, and complex modalities. These features have made the negotiations tortuous. Major changes in international relations have made agreement impossible to date: large global market imbalances and changes in geopolitical balances have produced a general distrust among major parties and an absence of leadership.

What is needed most of all is a common or shared vision of the gains from binding multilateral rules for the world economy.

Key words: Doha Development Round, Climate Change Negotiations, rationale for multilateral organisations, shared vision

JEL Codes: F02, F13

Introduction

The development of the rules under which international commerce is conducted has lagged behind the integration of national economies. The economic policies of one nation spill over to the markets of other nations. These effects have led to a growing movement to improve the rules relating to commerce in order to ensure a more open, transparent and equitable environment for international trade.

This paper examines the future of multilateralism by looking at two current efforts to devise new multilateral rules binding all nations; the negotiations in the WTO of trade rules and the negotiations under the UNFCCC to devise rules restricting the annual emissions of greenhouse gases. These negotiations are the two largest ever undertaken in the field of international commerce. However, both the Doha Round and the climate change negotiations have failed to date after years of negotiation. There is a crisis in multilateralism.

Sections I and II outline the scope and nature of the Doha Round negotiations and the UNFCCC negotiations respectively and reasons that have been advanced as to why these negotiations have failed. There are close parallels between these two experiences. Section III then addresses what I see as the fundamental issue of multilateralism, the necessity to find an outcome that will ensure that each participating nation believes it will gain from the negotiations. Section IV uses these negotiations to suggest analyses, methods of negotiation and institutional changes that will increase the prospects of multilateral agreement. Section V comments on the future of multilateralism as an approach to global economic governance. What is needed most of all is a common or shared vision of the gains from binding multilateral rules for the world economy.

I. The scope of the WTO's Doha Development Round negotiations

The scope of the Doha Round negotiations is set out in the November 2001 Doha Declaration that set up the negotiations (WTO, 2001). The Doha Development Round negotiations relate mainly to market access in the areas of

- Agricultural goods trade
- Industrial goods trade (“non-agricultural market access” or NAMA)
- Services

and to rules relating to trade facilitation, intellectual property and other areas. The negotiations on service trade commitments by Members have made little progress as Members wait to see what is happening in the negotiations relating to agricultural goods and NAMA (see Gootiiz and Mattoo, 2009). These are the two pivotal areas on which the negotiations have turned so far.

As background, Table 1 (from Lloyd, forthcoming) reports average levels of tariffs and tariff equivalents for NAMA and agricultural products, for developed and developing countries separately. First, one can compare the level of distortions of international trade in agricultural trade with that in NAMA products. International trade in agricultural products is much more restricted than trade in industrial products. Fortunately, we now have a superb database on distortions of agricultural trade prepared by the World Bank (see Anderson and Valenzuela, 2008).¹ This World Bank project estimated that, in the most recent period 2000-04, the average nominal rate of assistance to agricultural producers for the whole world was 18.6 per cent whereas that for non-agricultural producers was 4.0 per cent (Anderson, 2009, Table 1.7). This disparity is the result of the success of previous General Agreement on Tariffs and Trade (GATT) rounds in reducing barriers to trade in industrial goods whereas it had little success over the whole GATT period in reducing barriers to trade in agricultural goods. The Doha Development Round is seeking to achieve a long overdue “fundamental reform” of agricultural trade (WTO, 2001, para 13).

Second, one can compare the restrictions on market access for exports from the developing and from the developed country members. The high levels of distortion of world trade in agricultural goods disadvantages those developing country Members which are exporters of these products. Similarly, the tariff rates on labour-intensive NAMA products are generally higher than tariff rates on other goods in the major markets in the developed country Members, disadvantaging those developing country Members who are exporters of these products. This pattern is one of the reasons this round of negotiations was designated the Doha Development Round.²

¹ The World Bank database on agricultural incentives includes subsidies and assistance to exporters as well as tariffs, converted to tariff equivalents. This coverage corresponds to the coverage of the three pillars in the Agriculture negotiations.

² On the other hand, most developing country Members receive improved access to markets in developed country Members under the Generalised System of Preferences and other non-reciprocal preference schemes. Offsetting this, however, developing country Members, and in particular, the least developed country Members, generally have less preferential access to major markets under the network of reciprocal bilateral and regional preference arrangements.

In the agriculture negotiations, there are separate modalities for each of the three areas of trade measures, or “pillars” as they are known - market access (tariffs and other border measures), domestic support and export competition.³ Similarly, the current state of NAMA negotiations can be seen from the December 2008 Chairperson’s draft modalities text (WTO, 2010b). In contrast to agriculture, the NAMA negotiations are centred on tariffs. These draft modalities have not been accepted by Members. They are the Chairpersons’ judgements of what Members might be able to agree upon.

In agriculture, subsidies are the most trade-distorting of the three areas. The countries with the largest subsidy programmes are the European Union (EU), the United States (US) and Japan. The EU is in fact the only Member in the Amber Box for overall trade-distorting domestic support.⁴ It was estimated that EU-15 has a base level of overall domestic support of €10.3 billion. Under the modalities in the latest draft, this would be cut to €2.06 billion. The US and Japan are in the middle tier overall. For the US, their latest proposal in July 2008 offered to lower the ceiling for its overall trade-distorting domestic support from US\$48 billion to \$14.46 billion.

In NAMA, many countries are resisting the cuts and seeking either a more favourable formula or some exemption or weakening. And there is a host of non-formula issues to be resolved in agriculture and NAMA; in agriculture, these include the special safeguard mechanism, cotton, tropical products, preference erosion, tariff rate quota expansion and tariff simplification and in NAMA, they include non-tariff measures (NTMs), sector reductions and preference erosion.

After nine years of negotiation, the Members failed to reach agreement on a package by the deadline set at end of April 2010. They had agreed on very little. The only final agreements related to a few areas, chiefly trade facilitation measures and new rules on transparency of regional trading agreements. The US is particularly dissatisfied with the latest package. It believes that the commitments other countries would make under the drafts are inadequate and would not sufficiently increase US exports. It wishes to reopen issues that have been settled, a stance which no other country wants. In particular, it argues that no package will be acceptable to it unless the large emerging economies, such as India, China and Brazil, improve their market access commitments well beyond what the current Chairpersons’ texts would deliver.

For their part, developing country Members, including the large countries, wanted to make lesser commitments. For many the questions of flexibility such as the selection of

预览已结束，完整报告链接和二维码如下：

https://www.yunbaogao.cn/report/index/report?reportId=5_5308

