

The doha development



Doha development round

The Doha development round is also called the Doha development agenda. It commenced in November 2002 as the trade negotiation round of (WTO) world trade organization. Its main objectives are to increase trade globally by lowering the trade barriers around the world.

It began with the ministerial meeting in Qatar in 2001 then subsequent meetings took place in-

Mexico (2003)

Honkong (2005)

Related meetings took place in -

Geneva, Switzerland (2004, 2006, 2008)

Paris, France (2005)

Potsdam, Germany (2007)

The recent negotiation broke down on July 2008 which held as a failure to reach compromise on agricultural import rules.

Negotiations

Trade negotiation committee has overseen the talks of Doha negotiations, whose chairman is currently Pascal Lamy's director - general. The negotiations held in existing bodies of WTO and in five working groups. Topics of negotiations are market access, development and maintenance issues, to rules and regulations, trade expansions and other issues.

Before Doha

Before Doha negotiations there were WTO ministerial conferences. First WTO conference held in Singapore in 1996 for 4 major issues-government

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procurement, custom issues, investments in trade, competition and trade. These issues became known as Singapore issues.

In spite of conferences no conclusion was reached, and then developed nations argued that other new trade negotiations must include these issues.

In 1999 it was intended to start the millennium round but due to several different events it was never started. And it was decided by working groups that it will not be started until the first ministerial meeting in Doha, Qatar in 2001.

The built agenda of 2000 on agriculture and trade in services merged with the Doha negotiations.

Doha 2001

The Doha development agenda, DDA started in November 2001, to negotiate on agricultural issues, trade in services, also goods and trade negotiations. The main objective of this round was to make the trade regulations fairer for all the countries but according to various critics system of trade rules adopted in Doha round was bad for developing countries and against their domestic trade policies.

Cancun, 2003

This meeting was collapsed after four days because of differences in Singapore issues; also few countries did not show flexibility in their operations, rather than trade negotiations they only replaced their demands and wide differences between the trade negotiations of developing and developed countries.

Geneva, 2004

The main focus of this negotiation was on market access and reduction of agricultural export subsidies. Compromise was made on negotiation of Singapore issues, developing countries played a great role in the negotiation of trade facilitation.

Paris, 2005

It was held on May of 2005 with the intentions to get the tangible progress before December of 2005. This conference was hanging around issues like cutting of subsidies to farmers in France, issues relating to chicken, beef and rice and other technical issues.

Geneva, 2006

This was held in June 2006 but it failed to reach on conclusion about import rules and taxes, reducing farming subsidies.

Geneva, 2008

It was started on July 21, 2008 at the WTO'S headquarters but failed to compromise on SSM, special safeguard issues. Differential treatment was provided to the developing countries in the form of import volume expansions. Negotiations on these issues continued in June 2009 since the last conference. 50% were the odds of success said by Pascal Lamy. This negotiation expected to last for 4 days but instead of lasting 9 days it did not reach to conclusion. There were also disagreements on various issues like protection to Indian and Chinese farmers and African imports to the European union.

Why the Doha round matters

Over a billion of people live under poverty. The IMF and World Bank estimated that 7% growth rate is needed to achieve the goal of halving the poverty by 2015. trade liberalization is an important part of development.

Its main purpose is to provide the trade opportunities to countries and to provide more jobs and also to allow poor people to improve their lives. This can be achieved through more exports.

More exports —high economic growth—more stimuli to domestic reforms —faster poverty reduction.

Trade liberalization is not only the answer no doubt investments in infrastructure, health issues or education is also requires. Therefore Doha round engaged in strengthening the institutions and improving the education and health services in developing countries.

Deadlock of Doha

As stated earlier DDA was started 2001 and expected to achieve the goals by 2005. after 7 turbulent years later - after many ministerial meetings-after various mini-ministerial conferences -still we do not have an agreement.

The collapsed of negotiations occur because of rejection by US on the demand made by china and India about the usage of safeguard measures is called deadlock of Doha

The issues raised in Doha round by developing countries were the corner stone of necessary agriculture negotiations in the Doha agenda. The negotiating mandate include 2 key issues-

Reducing trade distorting subsidies**Food security and trade development**

Besides the tariff reduction issues, goals were met with much resistance regarding the minimization of distortions in agriculture market. Despite this compromise by the US developing countries still willing that US should also compromise on non-agriculture products tariff and non-tariff barriers.

Important issues**Agriculture**

It has become the most controversial issue of Doha round. 2001 Doha round ended with an agreement to substantial improvements in the agriculture market-reductions of export subsidies and reductions in the trade distorting support.

- Special products must be exempt from cuts
- Limit the number of import sensitive products
- Food security and livelihood considerations
- Access to patented medicines
- The main issue of Doha was trade related aspects of intellectual property rights (TRIPS)
- The issue revolves around-

Public health issues in developing countries

Balance of interest between pharmacy companies

- Compulsory licenses for the export of pharmacy products to least developed and other member countries

Special and differential treatment

The one of the main issue as to strengthen and to make more precise, effective the special and deferential treatment (S & D). developed and developing countries gave the separate deadlines for S&D provisions.

Also developing countries argued that developed countries were negotiating in good faith on the other hand they argued that developing countries were unreasonable in making the proposals.

Implementation issues

Developing countries had the limited capacity or inadequate technical assistance that is why they argued that they have had implementation problems with the agreements reached in the earlier of Uruguay round.

They also claimed that apparel in country markets and large access for textiles did not benefit them what thy expected. Some of thee implementation issues resolved by WTO members and they directed two path approach for other remaining issues.

Reasons for Doha failure

- Developing countries did not reciprocate on trade concessions
- For the collapse of negotiations, technically the US was blamed for this but US felt that developing nations had not open the markets in the way they were asked to open and so there were no point in negotiating the talks.
- Media attention lacking
- These meetings lacked media attention. You would hardly find any information about going of these meetings because this information

did not mention in many mainstream media, even not on prime time televisions and on news broadcast. May be the media was catching the conflicts in Lebanon at and not the proceedings of WTO meeting.

Some argue that democracies are expected to be accountable by an informed citizenry so it hardly matters whether media people cover this or not.

- Failure since Doha started in 2001
- This collapsed of negotiation were not of sudden on it were from the beginning only. Developed nations demand developing nations for using unfair ways and poor countries in turn blaming rich countries for this failure.
- Negotiations and meetings aimed at a world that no longer exists
- It was argued that neither the collapsed and nor he recriminations were taken as too seriously. The Doha round continuously failed in spite of pace o growth in he world economy. Negotiations-
- Focused on issues that no longer exists
- Required efforts for taking actions against developing nation's unwillingness to undertake

One of the causes is that working groups focusing on same decisions to resolved the almost all issues. Therefore it was said that ' Success requires a different rules and players for different games'.

- Impasses over the agriculture result in as much an excuse as a factor of breakdown.

Is collapse of Doha a bad thing?

- Its collapse may be a good thing, if it is taken that the Doha development round focused on an issues misaligned with real world. The new WTO members brought during the Uruguay round have different perceptions about economic interests and trade offs with that of older members, board of the old GATT system.
- MFN clauses can one of the problems. Its main motive was to protect the smaller nation members like New Zealand and Luxemburg from larger nations like Japan and US.

Despite of MFN, like the old trading systems new emerging systems for trade preferences also looks uncomfortable.

Economic impact of Doha round

In 2001 world income increased from \$40 to \$60 billion

It means that less than 0. 2% rise in global GDP.

Liberalizing trade lead to global gains of \$90 to \$120 billion per year.

Real lessons from Doha failure

- It was arguing that Doha development agenda was ill-conceived from the beginning only. Its main objective was to promote economic welfare through trade-offs. but this objective was more or less based on fantasies. Therefore objects be clearly defined after considering the various factors.
- Set realistic priorities

American leaders must persuade bilaterally along with multilaterally, if they want to use trade rules and policies for strategic purposes.

- The trade initiatives should not be focusing on only third development nations but also on the global economy and world trading system.
- The Doha development agenda objectives reflected that developing nations are becoming most important international trade players and that is why they deserve a great voice while negotiating in the meetings. Leaving aside whether equality and rights effects economic regulations and policy making, global roles of developing nations has been over stated.
- Doha round should give more grant to developing nations a greater roles in negotiations.

Ways to collude DDA

- OECD members will move forward

They can move forward in number of areas-

Services

Manufacturing sectors

Product standards recognitions

Pricing of products

And range of other issues

- On manufacturing tariffs there should be zero-for-zero plurilateral agreement.
- World's government's need to develop an multilateral trade system for the preservation of benefits from trade development and growth.

- Anti-democratic ways must be prune away contained in WTO rules for domestic policy making.
- Rules must be designed for a single homogenized market in spite of setting terms for separate nations with different priorities.
- The WTO members must be scaled back so that multilaterally treaties for public interest can serve as a floor of conduct of trade.

Some other principles

Participation

Sustainable development

High priorities should be given to subjects not negotiated

Nothing can be agreed until everything is agreed

Conclusion

We can say that because of this negotiating process, the geopolitical map is becoming more complex

There were increase in power disputes between national governments and negotiation procedures have become explicit with the role of international networks

It is also clearly indicated that free trade policies most of the time favored the big corporations and developing nations do not want to follow these policies.

However the IMF'S and the WTO are in setback but they still influence on economic thinking.

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Now there is an undermining of global trade liberalization which act as an engine for development in earlier years.

Rethinking the multilateral trade system means giving more priority to local methods of production and to the sustainability of life and planet.

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