



CIDSE STATEMENT

Collapse of Doha Round Signals Time for a Paradigm Shift

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The Doha Round of trade negotiations has collapsed once again, perhaps definitively this time. Whatever should come next, it is clear that the new dynamics in the World Trade Organisation (WTO) mean that developed countries can no longer force through a bad deal.

Despite the 'Development Agenda' rhetoric under which the Doha Round was launched seven years ago, negotiations have unraveled time and time again due to the counter market access ambitions of the EU and US in agriculture, industry and services. That negotiations have broken down so many times on issues fundamental to the interests of developing countries suggested strongly that developed countries would not accept the necessary changes to establish fairer global trade rules that promote the interests of the developing world.

The meeting of Trade Ministers in Geneva over the last week proved that this was again the case. Although many questioned the wisdom or legitimacy of calling a Ministerial Meeting when it was clear that there was a lack of consensus in many important areas, enormous pressure was exerted over preceding months to push through a long-awaited deal. Those advocating for a deal, mainly developed countries in favour of further liberalisation, emphasised the important role a global trade agreement would play in alleviating the current food price crisis and preventing further global economic downturn. This pressure succeeded in bringing parties to the table, but the momentum evaporated when core development issues had to be fully treated.

The deal-breaker in the end was the conditions under which the Special Safeguard Mechanism (SSM) could be used. The SSM provides countries with the right to increase tariffs to curb an import surge in order to protect a domestic industry from short-term swings in global markets, which is a crucial instrument for developing countries to promote their food and livelihood security and rural development.

Civil society organisations and social movements have asserted over the last months and weeks that the Doha deal as it was proposed would not solve the food and energy price crisis and would in fact exacerbate it by making food prices more volatile and increase developing countries' dependence on imports; it would furthermore severely restrict the policy space open to developing countries for pursuing agricultural and rural development. As highlighted by CIDSE's Secretary General, Bernd Nilles, *'the right to protect small agricultural producers in developing countries was the litmus test of the Doha Round negotiations ability to deliver development outcomes.'*

Whilst the collapse of the Doha Round has demonstrated once again the weaknesses of the WTO, it also showed the increased representation and weight of developing countries such as India and Brazil and that their interests can no longer be overruled. As noted by CIDSE's President, René Grotenhuis: *'The importance of a multilateral trading system should not be undermined as the alternative of bilateral and regional trade agreements result in the implementation of advanced liberalisation arrangements, previously rejected at the WTO, that often have even more serious negative implications for developing country parties.'*

Rather than a return to rhetoric, CIDSE calls on EU Trade Commissioner Peter Mandelson to now break away from a 'business as usual' approach in order to negotiate trade agreements that are equitable and socially just.

Contact:

For more information and to set up interviews, please contact Cliona Sharkey, sharkey@cidse.org, +32.2.230.77.22.