

# Down and Almost Out in Geneva: A Time for Reflection on the Future of the Multilateral Trading System

## Report on CIGI's 2008 Annual Grouping of Trade Experts

The third major collapse of talks in the Doha Round of multilateral trade negotiations on July 28, 2008, in Geneva prompted more than one participant at an international roundtable of trade experts sponsored by The Centre for International Governance Innovation (CIGI) to suggest that it was time for reflection — on the Round, on other mechanisms to manage trade negotiations, on the future of the World Trade Organization (WTO) itself, and more generally on the institutional requirements of the emerging multipolar global economy.

Whether the Doha Round was dead or merely dormant was more a matter of semantics than of substance, most participants agreed. A draft package existed, the “acquis” of the negotiations to date, to which WTO Members could return to try and settle their remaining differences; although unbridgeable in Geneva, these differences had narrowed considerably in the course of the July Ministerial Conference. At the same time, the willingness of Members to leave the estimated benefits<sup>1</sup> of that package on the table and walk away over a difference on the scope of a special safeguard mechanism (SSM) for agricultural trade tempered optimism that sufficient flexibility and political impetus could be mustered any time soon. After all, however narrow the differences might appear to be on paper,<sup>2</sup>

1 The draft package included more than US\$130 billion in tariff cuts, US\$35 billion on agricultural products and US\$95 billion on industrial products, with developing countries contributing one-third and developed countries two-thirds of the package. (See Pascal Lamy, video conference following the collapse of the July talks; [www.wto.org](http://www.wto.org)).

2 The main differences regarded the extent to which tariffs might be raised above the current, pre-Doha Round tariffs (by the higher of 15% or 15 percentage points vs. 30% or 30 percentage points) and the amount of trade that could be covered (7% of all agricultural tariff lines vs. 2.5%). While the talks foundered on the SSM, other issues remained to be resolved as well as the task of gaining acceptance of the package beyond the seven-member leadership group.

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press conferences held after the July negotiations characterized them either as setbacks to the trading system for decades to come (then-United States Trade Representative Susan Schwab) or threats to the livelihood of one billion of the world's poor (India's Minister for Commerce and Industry, Kamal Nath).

Against this background, with the dust barely settled in Geneva, participants at CIGI's annual grouping of trade experts on September 11-12, 2008, were challenged to follow in the footsteps of the architects of the present international institutional framework and to think about the multilateral trade system from the ground up — about its principles, its rules, its structures and its players — and how it might be reshaped to meet the needs of today's more highly integrated globalized world economy. Issues to consider included how to cope with the looming complications for trade rules posed by climate change, energy and food security concerns, higher transportation costs, trade and security issues, the widening income gaps between the world's rich and its poor and emerging financial system vulnerabilities. This report is a thematic summary of the ensuing discussion.

## The Role of the WTO and Its Relevance to the Major Global Issues of the Day

In general, most participants felt that the objectives of trade policy in the global policy framework depend largely on prevailing economic conditions. This makes it hard to anticipate the nature of the trading system in the future, because it necessitates speculation about future economic conditions. The current system, it was noted at the roundtable, had “walked backward into the future,” the key motivation of its framers in the early postwar period having been to prevent what had gone



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on during the two decades before.

Another difficulty in clarifying the objectives of multilateral trade policy, several participants noted, is that the 153 current Members of the WTO do not agree on the extent of its mandate. For the majority of Members, income inequality is top of mind, and, accordingly, they look to the WTO to play a major role in promoting development. Although WTO Director General Pascal Lamy characterized the July 2008 package on the table in Geneva as genuinely delivering on the Round's development mandate, not all agreed. Given the WTO's consensus requirement for decisions, this raised questions for some about the effectiveness of the organization itself.

Several participants, in fact, saw the evolution of the Round as it has lurched from one crisis to the next as analogous to the opening of a matruschka doll: as issues have fallen by the wayside or found compromise solutions, the Round has become smaller and smaller in scope and scale of impact — with the result that the WTO has become increasingly sidelined. With the Round now foundering — on its own comparatively narrow remit — many questioned its standing in addressing future complex and contentious global issues. As one observer put it, to talk about issues such as climate change and income inequality in the WTO would be to make the mistake of following the Peter Principle; that is, to elevate this forum to the level of its incompetence.

Participants agreed that a hegemonic power plays a key role in setting the agenda and in organizing and advancing the work of global institutions. In today's emerging multipolar world, however, there is no economic hegemon. This makes it difficult to stitch things together on a multilateral basis in a forward-looking sense. At the same time, however, it was observed that the need to establish new multilateral organizations to deal with new crisis areas had led people to turn to the WTO because of its existing enforcement mechanisms.

### *Trade and income inequality*

Participants agreed that, whatever the reality, inequality and the trading system are linked — in the public mind at least — to globalization and thus to trade liberalization. This linkage plays into the electoral process since it is hard to win domestic support for trade liberalization (and even harder for financial liberalization) in a context of widening income gaps. For example, it was noted that the link between domestic income issues and trade was a driving factor for current US federal and state-proposed legislation on outsourcing. Participants suggested that, when addressing this issue, a distinction be drawn between inequality within a country

and inequality across countries.

Empirical evidence suggests that inequality within a country is largely a result of that country's own policy framework and thus should be addressed domestically. Moreover, insofar as trade liberalization or market-driven globalization contributes to inequality within a country (a finding emerging from the recent agent-based trade-modelling literature), it was agreed that the remedies also lie within the scope of the country's internal policy framework.

By contrast, it has long been clear that the trading system affects the distribution of income across countries. The main linkage, however, is between increased trade and higher incomes; that is, countries that do engage intensively in trade tend to grow richer than countries that trade less and thus are marginalized. Widening income distribution should not be seen as a problem, it was argued, as long as it is considered in the context of a growing economy. By the same token, it was suggested by several participants that the main way to reduce global income inequality is by keeping markets of developed countries open to the developing world. There are many good examples of countries taking advantage of open markets to industrialize without undertaking excessive obligations. This idea of open global markets is a core element of the WTO's mandate.

There are other dimensions to the issue of inequality; for example, it was noted that there are a number of asymmetries in the system that contribute directly to inequality of income and give rise to a sense of unfairness, adding an additional sting to the reality of inequality:

- There are three factors of production, but the system guarantees property rights for only one of them (capital);
- There is a knowledge gap — the greater the role of knowledge in participating effectively in the global economy, the greater the gap;
- There is the problem of market *entry* once market access is obtained (effective entry depends on adequate physical infrastructure and even more importantly on an adequate knowledge infrastructure); and
- There is the issue of industrial policy — countries like the United States, Japan and Korea that developed successfully did not eschew the selective use of protection, which the rules and practices of the system now seek to deny to others.

The sense of unfairness is particularly acute, it was suggested, in the least developed countries in Africa and elsewhere; they in turn need improved capacity building to effectively participate in the trading system.

Aid for trade comes into play in this context by enabling developing countries' use of such market access as they acquire through trade negotiations. It was noted that while East Asia grew because of liberalization, Africa and Latin America also liberalized, to a greater or lesser extent, but did not prosper. Moreover, it was noted that existing frameworks to provide trade-related assistance had not been particularly successful to date. Accordingly, interest was expressed by several participants in exploring alternative approaches — for example, a fund managed jointly by the WTO and the World Bank with suitable governance mechanisms to replace aid for trade as now conceived and delivered.

In a similar vein, one participant pointed out that there is a real need for policy space even in successful developing countries. China, for example, still has an immense poverty problem — it was observed that there are still some two million villages not linked by telephone.

#### *Trade and climate change*

The discussions at the meeting led to the conclusion that the policy response to climate change, including the trading of carbon permits, was not likely to be shaped or negotiated in the WTO but that the trading system centred on the WTO should be prepared to deal with some of the consequences. For example, in a context where some countries implement measures to reduce emissions while others lag, the resulting differential impacts on industrial cost structures might lead to pressures for border-tax adjustments, involving tariffs on imports and/or export subsidies based on the carbon content of traded products.

Smaller countries in particular, it was argued, might have difficulties using border taxes to deal with impacts of other countries' carbon schemes and, not being able to act unilaterally, would look to the multilateral system. It was suggested that the WTO would be unlikely to take the lead in planning around this issue because the WTO is largely reactive and event- or crisis-driven. Others, however, argued that the trade community already has done a lot of thinking about this issue; it was the climate change community that had not. For example, a “peace clause” had been proposed pursuant to which WTO Members would agree not to institute for several years new trade restrictions based on the carbon content of imports so that such measures would not create obstacles to the negotiation of a global post-Kyoto regime (Schott, 2008). Moreover, it was agreed, trade economists are well equipped with established analytical tools developed for other policy areas in which international differences in policy frameworks raised similar pressures for border offsets (see, for example, Lockwood and Whalley, 2008).

The issue of having a most-favoured-nation (MFN) element in such frameworks was closely tied, it was suggested, to the issue of fairness. This element of fairness complicates matters for dealing with this matter in other forums.

## The Core Functions: Managing the Multilateral Trade System

The repeated collapse of negotiations in the Doha Round laid bare, in the view of some participants at the meeting, the weakness of the WTO, even with respect to its core functions: liberalizing international commerce, establishing rules and providing a mechanism for dispute settlement. Thus, although many developing countries like the rules-based system, few put the WTO at the centre of their development strategies. The WTO is also not central to industrial countries for policy making (although it was pointed out that even if countries do not put the WTO at the centre of their policy making, the WTO regime sets limits on what is considered or what is implemented). In this context, a heightened perception of weakness poses risks to the future relevance of the WTO because its Members will naturally look elsewhere for solutions to their problems. How, it was asked by several, does this play out in the areas that are central to the WTO's mandate?

#### *Liberalization*

A significant portion of international commerce liberalization in recent decades has been accounted for by unilateral reforms. If, it was suggested, this trend continues, developing countries will not want either new WTO commitments or its ongoing rulemaking interfering with their development policies and programs. In other words, developing countries will not want development in general integrated into the WTO, notwithstanding their rhetoric. Another issue raised by autonomous liberalization is whether other Members will pay for binding.<sup>3</sup> In principle, paying for a binding makes sense — if the binding is worth something. Unfortunately, as this issue has played out in the Doha Round, participants felt, the value of bindings to others had been reduced by special measures that allowed for breaking bindings.

In addition, it was noted by a majority of participants that it has become increasingly clear that one of the many mistakes made in framing the Doha Round was to put agriculture at the centre of the negotiating

<sup>3</sup> The WTO discusses binding in terms of paying a country for promising that it will never raise its trade barriers above levels it has agreed to in the trade agreement (WTO, 2009).

agenda. One of the lessons of the Doha Round is that most countries are food importers; therefore, the food exporters can no longer dominate the discussion. In other words, it was felt, agriculture cannot be and should not have become the linchpin of the Round, and the reinvigoration of the Doha Round, should it occur, must involve the shunting of agriculture to the sidelines.

Further to liberalization, participants voiced questions about whether we are in an era of higher oil prices over the long run. One implication is that intra-regional trade would grow at the expense of inter-regional trade, diminishing the importance of the WTO in market opening even as the significance of regional arrangements grows.

In light of these issues, it was suggested that the WTO might be hard-pressed to make a significant contribution to liberalization in the future and, by the same token, the central focus of any effort to seriously resurrect the Round might have to shift from liberalization to other issues, such as rule making.

### *Rule Making*

It was agreed that WTO rule making faces problems because many countries still regard WTO rules as colonialism in a new form. This attitude led to stiff resistance to an expansion of the ambit of WTO rules, which in turn sharply circumscribed the ability to revive the Doha Round as a rules-based negotiation. Moreover, the discouraging experience with the so-called Singapore Issues (investment, competition and trade facilitation) must call into question the feasibility of the Membership negotiating rules in the absence of liberalization, something that in fact had never happened to date.

Participants argued that there still might be a way to sell the value of binding the degree of market access afforded by the existing rules framework. For example, the risk of shocks generated by national measures introduced to address concerns related to energy policy or security (e.g., with respect to containerization) could trigger interest in binding. Multinationals from emerging markets could also make up a growing constituency for a rules-based future or a reinvigorated Round because they have an interest in globally harmonized rules that would facilitate market access, including participation in global value chains (GVCs). By contrast, the established multinationals from developed countries often have an interest in segmenting markets. Developments in regional/bilateral trade agreements could be drawn on to contribute to the development of a rules-based negotiation.

In the view of several participants, regulatory convergence is the key looming issue for the multilateral system. Looking ahead, the context will be shaped by evolving technology. New technology comes from the developed countries whose interest is to ensure market access for these new technologies — so they will push standards — but the emerging markets, especially China, are ramping up their innovation capability and starting to play a role in standard setting. There is a risk that new standards might conflict with WTO undertakings — not just in the area of sanitary and phytosanitary (SPS) standards but also with respect to rules regarding technical barriers to trade (TBT) in the area of industrial products.

Standard setting is narrowly a sectoral process; trade issues that arise from the application of standards tend to be handled in bilateral processes that end up in the WTO only if brought under the Dispute Settlement Understanding. That being said, there is a way to address standards on an ex ante basis in the WTO: both the TBT and SPS Agreements have provisions for comments. In the estimation of one participant, use of this facility resolves perhaps 70 percent of the problems before they surface. In addition, the non-agricultural market access (NAMA) discussions include a provision for “good offices” to accommodate bilateral discussions to resolve problems before they blossom into disputes. The establishment of sound principles for standards setting and mechanisms such as the Reference Paper developed for the telecoms agreement are also ways to smooth the way without requiring identical standards around the world or the WTO weighing in on the sectoral processes for developing standards.

Another area where WTO rule making might find traction is that of taxation and subsidies. It was observed that the race to tax the more mobile factors of production and the granting of subsidies to attract them undermine the competitive situation of countries that need fiscal resources to develop. There is a perception in some countries, including in the developing group, that these issues should be dealt with in the Round from the perspective of fairness. There is a question, several argued, of whether more needs to be done in the current WTO negotiating context to defuse tensions that might otherwise arise later if these issues surface in the dispute settlement system.

### *Dispute settlement*

The prospects for rule making are also clouded with regard to dispute settlement, participants suggested. Indeed, some observers are highly doubtful about its future, largely because rule making faces difficulties in dealing with the big issues for which there are

wide exceptions. As issues such as food and energy security move off centre stage, the dispute-settlement mechanism, it was suggested, will be torn down as quickly as it was erected when really big, longer-term issues such as climate change are addressed and litigated in the trade system.

## The Future of Multilateralism: An Existential Threat to the WTO?

Most hegemony theorists and practitioners, including many of those present at this CIGI round table, argue that stability in the international monetary and trading systems depends on a major power assuming a coordinating role. Participants were reminded that the United States undertook that role in the postwar period, providing shape for the current multilateral system. Some at the meeting argued that in the emerging multipolar world, which lacks a hegemon, multilateralism is effectively dead; by this analysis, the United States is still the most powerful economy but not powerful enough, or interested enough, to be the hegemon. Europe, it was argued, is less able than usual to lead, and the developing countries are not interested in the system as it exists.

As supporting evidence for this shift in the global economic framework, some participants compared the possibility that the major trading powers (including the United States, the European Union, India and China) would be prepared to walk away definitively from the Doha Round talks to the collapse of the 1933 London Economic Conference. At that conference, representatives of 66 countries met to stabilize exchange rates and revive international trade during an escalating global depression. The conference collapsed when US President Roosevelt rejected the pivotal draft currency stabilization agreement developed by the Governors of the Bank of England and the Bank of France and unofficial American representatives.<sup>4</sup> This rejection was attributed to the United States putting primacy on national reconstruction as opposed to rebuilding the global commercial framework; hegemony theorists interpret this as the United States' refusal to replace Great Britain as the world economic hegemon (see Morrison, 1993).

Further evidence for multilateralism's advanced state of decline, it was suggested, is provided by the flurry of preferential trade agreements. Some of these have the central objective of locking in energy security (and other

resources), which means, ipso facto, energy insecurity for others. Opposition to discriminatory agreements, however, was one of the central organizing principles of postwar multilateralism as defined by the United States (Gardner, 1969). Although the current situation has not deteriorated to the extent it did in the 1930s, the pressures are growing, several participants argued.

Not all at the meeting accepted the notion that recent events spell the end of multilateralism. Several argued that despite the collapse of negotiations in Geneva, there was almost a deal. In some areas, the lack of progress might simply have reflected a need for more time. Services liberalization, for example, cannot happen without proper regulation. There is now catch-up regulation in the emerging markets, which will in turn trigger liberalization down the line. In addition, the recent "signalling conference" seems to have been useful for moving the services negotiations forward.<sup>5</sup> Accordingly, it was argued, multilateralism is not dead, it has just changed. There always have been groups within the system, and new groupings will continue to be formed.

The system of governance will also continue to evolve, many participants noted. Some predicted an emphasis on monitoring and reporting, as well as on the participation of groups of experts (such as were involved on subsidies-related issues in former multilateral Rounds and on the special safeguard mechanism (SSM) in the current Doha Round). For example, it was noted that the Warwick Commission had recently proposed several ideas, including the notion of critical mass agreements, for addressing systemic competition while keeping trade rules under the WTO roof (2008). Rules involving new areas such as climate change or regulations touching on the transfer of technology could be implemented on an MFN basis, at least after a certain period of exclusive benefits to the signatories (e.g., a 10-year grace period). This would be without excessive free rider problems, as the major trading countries would be covered from the start. To address the developing world's lack of interest in the dispute settlement mechanism or understanding (DSU), the suggestion was put forward to introduce cash compensation. It was noted, however, that pay-offs have always been possible — the difficulty has been the lack of political acceptance.

<sup>4</sup> The head of the American delegation, Cordell Hull, was under orders by Roosevelt not to enter into any currency discussions. The role of the United States in the currency discussions thus fell to private bankers.

<sup>5</sup> The purpose of the signalling conference was to give services exporters an idea of what trading partners actively involved in the negotiations could potentially offer. The indications of potential that were made at the conference were not binding, hence the "signalling" terminology (see International Centre for Trade and Sustainable Development, 2008).

In addition, although some have criticized China for not behaving as a responsible “stakeholder” in the system, several at the roundtable argued that we have, in fact, seen a very well-behaved China. It was suggested that when China “comes of age,” it will behave increasingly like the established WTO Members, demonstrating the “socializing” benefit of the WTO’s norms.

Many participants expressed dissatisfaction with the inability to obtain important concessions using bilateral trade agreements. For example, it was noted that Australia was not able to get the kind of services trade concessions that it was looking for in its bilateral agreements with Singapore and separately with the United States and so looked to the WTO for this. The same would probably be true for other smaller players. This suggests that what is often said of democracy (that it is a bad system but the best of a bad lot) might also be said of multilateralism. In that case, a somewhat weakened but otherwise well-established WTO might still prevail.

### Is Institutional Reform or Innovation Needed?

For the middle powers, which have a major stake in the multilateral system, risks to the system are of particular concern. By the same token, several participants pointed out, the burden of building support for the rules-based system falls on them. A historical precedent for middle powers collaborating to “save the system” was set during the run-up to the Uruguay Round when the de la Paix Group (named after the Hotel in Geneva in which it met) came together for this purpose.<sup>6</sup> The group was self-selected but had two key features: it excluded the largest trading partners (since they would not have the system’s interests foremost), and it had balanced representation geographically. Importantly, the de la Paix Group kept the larger trading countries informed and thus did not risk running athwart of their key interests. Indeed, the United States and the EU used the group as a way to float ideas indirectly. The membership of this group contributed the breakthrough text at Punta del Este (Ostry, 2004), and the group’s ability to forge consensus despite widely varying interests helped to keep the Uruguay Round going. Accordingly, one potential response to any erosion of multilateralism would be to revive the de la Paix Group, or something like it.

In support of this idea, it was noted that the current leadership group in the trade community, the G6 (and, more recently, the G20), has not generated many new

and useful ideas in the international trade arena, so a group like de la Paix might be useful in that regard. In addition, such a group could help repair the trust that some see as having been badly eroded over the course of the present Round. Others, however, questioned whether such a device could work again. The context is different now than it was twenty-five years ago — there is much greater emphasis on coalitional politics in Geneva. Rather than a coalition of middle powers, or a grouping of the larger trading powers, what is needed is a hybrid, some thought. Something along the lines of the G20 might eventually serve as a way to bridge differences.

Others pointed out that middle-level groups already exist (e.g., the Oslo Group<sup>7</sup> and the NAMA 11<sup>8</sup>); the trick is to identify proposals from them that are acceptable to the larger trading countries. Rather than creating new institutional structures, it might be useful, some thought, to revisit existing structures and think about how better to use them.

The ongoing discussion, at this meeting and elsewhere, about the need for a group to generate ideas draws attention to the fact that part of the motivation for forming the WTO was to establish an institutional basis for development of draft proposals. Committees were intended to permit efficient analysis and discussion, but, on the whole, this has not happened. It was alleged by several participants that, in this sense, the WTO remains the least developed of the major international organizations. At the same time, the system faces a conundrum: the more power that the WTO acquires the greater the share likely to be retained by the 153 Members through the consensus rule and the less delegated to the Secretariat.

The annual Ministerial Conference, it was thought, had not been well used — it was to be the management forum outside the context of negotiations. But this division of labour has not emerged, in part because it is impossible to limit Ministerial discussion; if there is a Round underway, Ministers will talk about it. Ministerial conferences have thus been “hijacked” for negotiations. In addition, they have become very unwieldy: the swelling of the Green Room in July resulted in the formation of the G6.

7 The “Oslo Group”, sometimes known as the “non-G6,” consists of Norway, New Zealand, Kenya, Indonesia, Chile and Canada. The Group listed its members in reverse alphabetical order to emphasize that it was an alternative to the leadership G7 group that consisted of Australia, Brazil, the European Union, India, Japan and the United States.

8 The NAMA 11 is currently composed of ten WTO Members: Argentina, Brazil, Egypt, India, Indonesia, Namibia, Philippines, South Africa, Tunisia and Venezuela.

6 The membership was Australia, Canada, Hong Kong, Hungary, New Zealand, South Korea and Switzerland. See Wolfe (2007).

Complicating things still further was the fact that the issues are not strictly trade issues, although taxes, exchange rates and so on, all impinge on trade. The Tokyo Round limited scope for interpreting implicit subsidies but now this is emerging as a major issue. This poses a problem, because trade officials cannot independently deal with these issues; for example, a trade minister cannot negotiate on the environment without the environment minister. There is thus an issue of internal coherence that needs to be more vigorously addressed, leading in turn to the issue of external coherence.

Finally, there is the hurdle of legislatures accepting decisions and, more generally, the issue of democratic legitimacy. The big issues, such as income distribution, that some want to see addressed in the WTO bite deeply into the way nation states are organized. Without a veto, the United States would not support decision making by less than consensus; hence, many felt that the WTO needs to be very cautious about not overreaching.

## Conclusion

Although the CIGI roundtable was held at a time of rapid change in the global economy and in a context of growing pressures that portend significant, but hard to anticipate, developments, there was one point on which there was a clear consensus, namely the desirability of bringing closure to the Doha Round — if for no other reason than to clear the decks to deal with looming issues that may be even more challenging than those now on the table. Because of the intensive process still ahead, this might be characterized as a wistful hope even if the July 2008 Ministerial Conference had concluded with a largely successful agreement on the major issues. Absent that agreement, the hope now centres on the possibility of reviving the Round on the basis of progress to date and the need for restored economic growth based on effective, updated international economic cooperation.

On the issues that are looming, perhaps the most imminent being trade-related climate-change, opinion at the conference covered a wide spectrum, reflecting the uncertainties inherent in trying to predict the future. Those who have long worked in, and on, the multilateral trade system have at once great respect for its accomplishments and great concerns about its future viability in a global economic system that might not clearly be considered “multilateral” in nature. There was no clear consensus on whether the trade agenda will narrow or broaden in the future or on whether either direction will be unequivocally better or worse. The multilateral system has evolved considerably in the past and promises to continue to do so in the future as a key element of national and international prosperity.

## Areas for Future Research

Conference participants made suggestions regarding a research agenda to anticipate and shape the evolution of the trading system.

### *Improve Understanding of Issues Bearing Directly on the Doha Round Negotiations*

- Determine the value of the bindings in goods trade, in agricultural subsidies and in services. This research would seek to clarify the issue which led to the latest collapse of talks.
- Identify “offensive” objectives on a country-by-country basis. This research would respond to the general complaint that the Round has had difficulty moving forward because “everyone is playing defence.”
- Examine the political economy of production sharing within global value chains. This research would seek to clarify the implications for negotiations and negotiating positions of the emergence of these structures within the globalized economy, especially in the context of economic uncertainty.
- Review trade and climate change. This research would review and compare the various regimes emerging or being discussed worldwide to deal with this nexus of issues.

### *Improve Understanding of Systemic Issues*

- Carry out comparative analysis of international institutions to guide reform of the institutional architecture for trade. This research would examine the extent of acceptance of international norms into domestic systems around the world and describe how these rules are embedded in their systems.
- Clarify the difference between historical conditions under which development occurred and the current international rules. This research would address the often-made charge that practices that were central to the development of the current group of industrialized countries are becoming prohibited under current international rules and practices.
- Clarify the role of the various groups (expert groups, de la Paix-type groups, mini-Ministerials) in advancing negotiations. This research would seek to identify the potential efficacy of new institutional mechanisms in advancing trade negotiations.
- Work out the details of moving from plurilateral agreements to MFN on an issue-by-issue basis. This research could stimulate interest in using plurilateral agreements to advance key issue areas more rapidly while responding to the concern that plurilateral agreements undermine the MFN principle.

- Flesh out a mechanism to facilitate the use of monetary compensation under the DSU. This research would seek to make practical this often-considered approach to resolving disputes.
- Build capacities in developing countries. This research would examine aid-for-trade, best practices, to date, strengthened analytic resources to help identify national and systemic interests that contribute to shaping future negotiating positions.
- Examine the reshaping of governments to deal with “new” agenda items beyond the scope and competences of traditional “trade” departments. This research would look at cross-agency cooperation (personnel, knowledge and implementations) to effectively and efficiently deal with cross-government/whole-of-government issues.

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## Who We Are

The Centre for International Governance Innovation is an independent, nonpartisan think tank that addresses international governance challenges. Led by a group of experienced practitioners and distinguished academics, CIGI supports research, forms networks, advances policy debate, builds capacity, and generates ideas for multilateral governance improvements. Conducting an active agenda of research, events, and publications, CIGI's interdisciplinary work includes collaboration with policy, business and academic communities around the world.

CIGI's work is organized into six broad issue areas: shifting global order; environment and resources; health and social governance; international economic governance; international law, institutions and diplomacy; and global and human security. Research is spearheaded by CIGI's distinguished fellows who comprise leading economists and political scientists with rich international experience and policy expertise.

CIGI was founded in 2002 by Jim Balsillie, co-CEO of RIM (Research In Motion), and collaborates with and gratefully acknowledges support from a number of strategic partners, in particular the Government of Canada and the Government of Ontario. CIGI gratefully acknowledges the contribution of the Government of Canada to its endowment fund.

Le CIGI a été fondé en 2002 par Jim Balsillie, co-chef de la direction de RIM (Research In Motion). Il collabore avec de nombreux partenaires stratégiques et exprime sa reconnaissance du soutien reçu de ceux-ci, notamment de l'appui reçu du gouvernement du Canada et de celui du gouvernement de l'Ontario. Le CIGI exprime sa reconnaissance envers le gouvernement du Canada pour sa contribution à son Fonds de dotation.

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