The Doha Development Agenda: 
A tool for shaping Globalisation

ANNEMIE NEYTS-UYTTEBROECK
Minister of State for Foreign Affairs of Belgium

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Globalisation has become such a hot topic for debate and reflection these days that one might get the impression that it is a new phenomenon. And some will want to add a bad phenomenon. I am of the opinion that neither is true. There have been previous waves of globalisation, for instance when the New World was discovered. The 19th century entrepreneurial and colonisation period could also be considered as a wave of globalisation. And the current globalisation is not a process that started yesterday, but one that has been ongoing over a long period of time, in fact starting before the First World War and mightily pushed forward by the end of the Cold War.

Today, we witness the full power of this new wave of globalisation. It may not be a new phenomenon, but it has its specificities. It is different not because of the ideas that sustain it. There is the same belief in free trade, open markets, private ownership, property rights and free market economy. The difference, as we all must realise lies in the technology that speeds up the ideas and forces that constitute globalisation by shrinking space and time and rendering borders largely irrelevant. Ideas, goods, people, money travel faster and cheaper and in greater quantities than ever before. Where it took the European countries a hundred years or more to double their national wealth in the 19th Century, Asian countries have done the same in a couple of decades or less during the second half of the 20th Century: South Korea in 11 years, China in 10 years. And over the last four decades, the trade in goods has multiplied 25-fold.

Globalisation is about progress and growth, and about the opportunities and challenges it creates. Because progress, indeed, both thrives on and creates differentiation and tensions. It thrives on differentiation, because that is where the incentive for progress comes from. But it also quite clearly generates differentiation. It is up to the political decision-makers to strike the right balance. One of the biggest challenges to globalisation clearly is the disparity between the rich and poor, both in our nations and between our nations, and the popular revolt it has created. Civil society is very sensitive to this divide, and rightly so. We cannot close our eyes to the fact that large parts of the world lack access to basic needs. For instance, a major food crisis looms in Southern African countries, which might threaten the lives of millions of people if nothing is done. However complex its causes, not reacting promptly to prevent crises like these to happen, would and should cast a very dark shadow on the progress we are striving for. Therefore, what is required of the rich countries, is engagement, solidarity and understanding. If globalisation offers the opportunity for unifying the world, it also means we must govern and harness the process and address its inadequacies.

Over the last fifty years, globalisation has led to a six-fold rise in world output. During that same period, the global population increased about two and a half times. This results in major improvements
in the income of a substantial part of the world’s citizens and in the release of new resources with which to tackle policy challenges in the field of human well-being. The past fifty years have witnessed major improvements in other indicators of human welfare and quality of life in a large number of countries, including significant improvements in life expectancies at birth.

Of course, correlation does not imply causality. Still, it is quite clear that the substantial increases in global per capita income would not have been possible without continued progress towards deeper economic integration. Recent studies from the World Bank have clearly shown that developing countries that have opened up their economies over the last twenty years have had a growth performance superior to those that have not pursued international economic integration. 3 billion people in the 24 developing countries that have improved their place in the world economy between the 1980s and the year 2000 have reaped the results in terms of higher income, longer life expectancy, better education, more employment, less extreme poverty. This goes to show that it should be a primary objective to make sure that those countries that have integrated insufficiently into the global economy are helped to do so. The International Conference on Financing for Development took this agenda to the foreground, thus recognizing the issues at stakes, even though the European Union had wished the impetus given to be much stronger. However, these efforts at a global scale should equally be reflected at a national level, for there is a clear need to address by public policy measures the gap between richer and poorer segments of the population within our countries too.

An important step towards enhancing the benefits of globalisation was taken at the Ministerial Conference of the World Trade Organisation in Qatar in November 2001 when WTO Member States decided to launch a round of negotiations, the Doha Development Agenda, which puts the expectations of the developing world at its centre.

But we have come a long way. Let us just go back a couple of years. Everybody remembers the experience of Seattle in 1999, and nobody wanted to repeat that. Seattle brought around a fundamental change in trade policy. The real story in Seattle was the terrible gulf between north and south, between developed and developing countries. Seattle saw the emancipation of the developing countries in multilateral trade policy. The old-style reciprocity in negotiations between developing countries and developed countries, that was typical for the GATT-negotiations in the Uruguay Round, had reached its limits. Since 1999, we worked non-stop to bridge this gap, and we succeeded at Doha only with the support of both north and south.

Doha resulted in launching the Doha Development Agenda. Development is the one single item that runs throughout the Ministerial Declaration. It was not just a case of finding a snappy and politically correct title for a new Round: the Declaration at Doha requires us to deliver for development. And that is the challenge that now lies ahead of us.

In the run up to Doha and during the Doha-conference, The European Union has not shunned away from its responsibilities. I can personally testify to this since the Ministerial Conference took place during the Belgian Presidency of the European Union and that it was myself who had the honour and
the pleasure to preside over the European Council of Ministers. We were first among the rich countries to notice and recognise that the developing nations genuinely need capacity building assistance to meet the demands of an expanding and liberalising world trade. The European Union convinced the other participating states to put new items on the agenda such as the environment and social standards.

Today, we are talking about a new type of reciprocity: market access versus rules. The Doha Development Agenda exemplifies this approach. Just to illustrate the point: If we want to impose respect of our strict environmental, sanitary or phytosanitary rules on developing countries (and I think we have every right and obligation to do so), we have to offer in return better effective access for their products to our markets - including through better and more focused technical assistance to help them meet our sophisticated domestic regulations.

It is clear that for the developing countries, which make up, let us not forget that, two thirds of the WTO members, market access for their products is vital. This is also a goal for the European Union when we took the “Everything But Arms”-initiative, by which we eradicated quotas and tariffs on all exports (except weapons) from the Least Developed Countries to the European Union. The importance of such initiatives cannot be underestimated. According to a recent estimation by the World Bank, the “Everything But Arms”-initiative could result in a 15 to 20% annual growth in the exports of the Least Developed Countries, in fact basically increasing their exports by around 5 billion € /USD per year. I am therefore glad to see that other countries such as Australia, recently, and New Zealand have adopted similar policies.

The European Union has also stepped up efforts to help developing countries to draw effective benefits from market access. The EU is already quite active in giving trade related assistance. Over the last five years, 640 million €/USD were spent on more than 100 trade-related assistance projects in developing countries in areas such as helping the fishermen in the countries around Lake Victoria to meet the EU food safety standards, and in turn enabling them to gain access to the European market. And on 18 September 2002 we launched an action plan called: “Assisting Developing Countries to Benefit from Trade”.

Of course, it is important - both for developing countries and for the trade agenda - that the richer countries step up efforts to provide trade related technical assistance and capacity building, and that we do so in a co-ordinated and coherent manner. We have to ensure that trade related capacity building makes a difference in three ways: in helping developing countries negotiate; in helping them implement the results of those negotiations; and finally, to help ensure that the outcome is genuinely helpful in terms of assisting developing countries to integrate into the world economy.

The European Union will continue, together with other countries such as Australia and New Zealand, to exert leadership in pursuing the Doha Development Agenda. You can rest assured that the pursuit of the new Round is absolutely at the top of the EU-agenda and, if I may say so in the most capable of hands, those of EU Trade Commissioner Pascal Lamy.
The European Union will continue to push for a broad and balanced negotiation, covering both market access and new and improved rules. We have committed ourselves to further liberalise trade in agriculture, services and goods and to strengthen the body of multilateral trade rules. The European Union remains also ready to tackle the more difficult issues. I do, of course, refer here to a point that is particularly sensitive in the negotiations and especially between the European Union and the Cairns Group, which is agriculture.

I do agree that the negotiations on agriculture are a key element in successfully completing the Doha Development Agenda. To quote the EU Commissioner of Agriculture, Franz Fischler: “A satisfactory agriculture package is a necessary, although not a sufficient, condition to ensure the conclusion of a broad-based round”. The European Union does recognise the importance of agriculture and the trade in agricultural goods for the developing countries and it is clear that there must be special conditions to help developing countries to adapt to the demands of further liberalisation. But what I do not accept is the fact that the European Union is singled out by, among others, Australia and New Zealand as being protectionist towards imports because of its Common Agricultural Policy. As a matter of fact, the European Union is by far the largest importer of agricultural products from developing countries. The European Union alone imports more agricultural goods from developing countries than the US, Canada, Japan, Australia and New Zealand taken together. The European Union imports from developing countries agricultural products at zero or a very low tariff to a value of almost 35 billion €/USD.

Opening up trade should create opportunities. However, it should not lead to a situation where legitimate interests are ignored. We all do agree that farmers provide many services that are important to our societies and we therefore support our farmers. However, supporting farmers need not mean protecting markets. We need to find ways to support farmers in such a way that support does not distort trade. In Doha, we were pleased by the fair compromise that was reached: it is an open negotiating agenda, on market access, on reductions in export subsidies and domestic support, whilst taking into account non-trade concerns. The European Union is willing to reach an agreement on agriculture and is therefore willing to negotiate further reductions in export subsidies, but our position is by no means a one-way street. Other distorting export supports that are used by other trading partners should be put under an equivalent scrutiny.

The EU has shown, by reforming its agricultural policy over the last ten years, that it is prepared to reduce distortions of trade and run a sustainable agricultural policy. We have reduced spending from 90% on market support in 1992 to just 28% today, and have switched to direct payments to compensate farmers for the price decreases. The ongoing Mid Term Review of the Common Agricultural Policy is exactly aiming at pushing further our efforts to make our policy more transparent and less trade distorting. The reform of the Common Agricultural Policy is preparing Europe for sustainable development of its agriculture and its rural environment. Today, we have come to realise that agriculture means more than just agricultural output. We have come to realise that a sustainable agricultural policy also has to do with the quality and the safety of our food and with the way in which
we deal with our countryside. On an international level, these concerns have become known as non-trade concerns and these are concerns that are more widely spread than only among European citizens. It should therefore be conceivable to pursue these objectives in such a way as to be compatible with WTO rules and only minimally or non-trade distorting.

The European Union is committed to contribute to a successful completion of the Doha Development Agenda and we think that it should be possible to reach such an outcome within the three-year timeframe. For the Doha Development Agenda to be credible as a vehicle for development, we have to stick to this timeframe that is to complete the negotiations by the end of 2004.

To conclude these negotiations to the benefit of all, developed and developing countries alike, will prove that we have stood up to the challenge to shape globalisation through multilateral and global cooperation because this is the only way in which we can make globalisation work for the benefit and the development of us all.

I thank you for your attention and I am willing to answer to any questions you might have.