

## Abbreviations

AB	Appellate body
ACP	Africa, Caribbean and Pacific
AD	Antidumping
AoA	Agreement on Agriculture
APEC	Asia-Pacific Economic Cooperation
ASCM	Agreement on Subsidies and Countervailing Measures
ASEAN	Association of South East Asian Nations
ATC	Agreement on Textiles and Clothing
BOP	Balance of Payment
CAP	Common Agriculture Policy
CSR	Corporate Social Responsibility
DN	Doha-negotiations
DDA	Doha Development Agenda
DR	Doha –Round
DS	Dispute Settlement
DSB	Dispute Settlement Body
DSM	Dispute Settlement Mechanism
DSU	Dispute Settlement Understanding
EC	European Community
EU	European Union
FDI	Foreign Direct Investment
FTA	Free Trade Agreement
GATS	General Agreement on Trade in Services
GATT	General Agreement of Tariffs and Trade
GC	General Council of the WTO
GD	General Director of the WTO
GDP	Gross Domestic Product
HKMC	Hong Kong Ministerial Conference
IG	Intergovernmentalism
ILO	International Labor Organization
IMF	International Monetary Fund
IO	International Organizations
IR	International Relations
LDC	Least Developed Country
LDCs	Least Developed Countries

MC	Ministerial Conference of the WTO
MCs	Ministerial Conferences
MFN	Most Favored Nation
MNCs	Multinational Corporations
MTS	Multilateral Trading System
NAFTA	North America Free Trade Agreement
NAMA	Non-agricultural Market Access
NATO	North Atlantic Treaty Organization
NF	Neo-Functionalism
NGO	Non-Governmental Organization
NLI	Neo-Liberal Institutionalism
NR	Neo-Realism
OECD	Organization for Economic Co-operation and Development
RTA	Regional Trade Agreement
RTAs	Regional Trade Agreements
SDT	Special and Differential Treatment
SI	Singapore Issues
SPS	Sanitary and Phytosanitary Measures
TBT	Technical Barriers to Trade
TPRM	Trade Policy Review Mechanism
TRIPS	Trade-Related Intellectual Property Rights
UN	United Nations
US	The United States of America
WB	World Bank
WTO	World Trade Organization

## Summary

The WTO came into existence in 1995 as successor of GATT. GATT was a product of Bretton Woods created post-WWII. Whereas GATT was an international forum for free trade negotiations, the WTO is an actual international institution established to handle international commerce both in terms of achieving a multilateral trading system of free trade as well as implementing fair trade conditions. Regardless of the different set-ups of GATT and WTO, several aspects of the WTO are residues from GATT. For that reason, the WTO has been the subject of many critical approaches. The first one stating that the WTO is a middle-aged international organisation based on outdated structures and procedures. The second view stressing that the WTO is a “newborn”, which needs a lot of work before functioning as intended. In spite of the critique, WTO launched a new round of trade negotiations in 2001 - the Doha Development Agenda - in which deadlines have lost its fundamental meaning. On its seventh year, the Doha-negotiations continuously take place among WTO’s 152 members. Some parties claim that the challenging position of the WTO is what has caused the problematic Doha-process. In this context, scholars have emphasised the necessity of WTO-members conceding more authority to the WTO as in a supranational structure rather than the current intergovernmental arrangement with a consensus decision-making procedure. From such development, the WTO would also be able to have more influence on global governance - if that is where the world is heading.

Most economists agree that free trade is the best mean to boost economic wealth around the world. Additionally, trade liberalisation is proclaimed to imply greater and far more efficient production specialisations worldwide, which may be considered as in increasing the spread of practicing comparative advantage. As oppose to economic market liberalism, the WTO has included fair trade elements in order to protect industries of developing countries until these are able to compete on equal terms in the multilateral trading system. The fact that the WTO operates with two ‘opposing’ strategies has also been held responsible for the critical process of the Doha-negotiations. In spite of the strong evidence and theories stating that free trade boosts economies, trade liberalisation is not decisive for a positive development of poor countries. If countries suffer from civil wars as well as poor governance and corruption, the gains of free trade may not come forward and benefit all parts of the population. Therefore free trade may be necessary but not sufficient and other measures are needed, which the WTO should support in cooperation with other international institutions.

The main areas of the negotiations have also led to advances and setbacks in the Doha-talks. In this respect, movement in one area has spilled over to other areas. The main area blocking for a final Doha-agreement has concerned agriculture. The developing countries have demanded for the developed countries to make serious liberalisation steps of their heavily protected agriculture. Additionally, the developed countries have called for reciprocity of the developing countries and requested to

incorporate other areas such as non-agricultural market access and services. However, the developing countries have refused to give in on new areas until agriculture is in progress, which they claim will harm the developing world. The developing countries have accused the developed countries of not following their Doha-commitments, as in prior to development.

Whereas the US and the EU have been the most prominent actors of the developed world, the G20-group led by Brazil and India has claimed to represent the majority of developing countries. Although G20 is in reality merely protected the interests of emerging markets, which to a large extent differ from the poorest countries. The least developed countries have formed their own groups and alliances, which however have been less dominant because they are safeguarded from Doha-commitments under the principle of special and differential treatment. Although they may still free-ride from a final Doha-agreement. The fact that new strong actors of emerging markets have emerged and challenged the elite of developed countries has also influenced the Doha-process in terms of progressions and postponements in the negotiations.

Whereas the underlying motives of the developing countries' primarily are considered economically related, the underlying motives for the positions of the developed countries have to a large degree proven to be politically grounded. In this context, the most obvious case in point concerns agriculture. In spite of agriculture's low and declining part of the developed world's GDP and labour force - and in the global economy in general - the developed countries have continued to exercise heavy protectionism of their agricultural sectors. Whereas the Doha Development Agenda allows for industry protection of the developing countries as in neo-protectionism, it does not give permission for the developed countries to practice protectionism. As a matter of fact the developed countries are supposed to eliminate their trade barriers, but developing countries are not obligated to make the same 'sacrifices' because of the development agenda. From the analysis of the underlying protectionist motives of the developed countries a safeguarding of national interests seems to be an obvious reason. Additionally, agricultural protectionism may indicate aspects of cultural identity. Hypothetically, the developed countries may consider agriculture on the same footing as cultural and national identity. The world is currently dealing with food shortages, which have caused record high prices. If agriculture was liberalised such a crisis could have been avoided.

Moreover, the scenario of new strong actors on the world stage has caused for a revision of US's role as the world's only hegemony. The current economic downturn of the US, which has affected most parts of the world, may be an argument supporting the hypothesis that the powers of the US are declining. On the contrary, US's war on terrorism as a consequence of 9/11 may illustrate a stagnating or even a strengthening of US's superpower position. Whereas some theoretical approaches claim that WTO will dissolve in the absence of a hegemony, others underpin that the WTO will create its own life. It is more or less commonly accepted that for the international trade cooperation to work and

produce significant results - or just any outcome - the system needs a dedicated hegemony. Therefore the US must continue to take responsibility and lead the Doha-Round towards a successful conclusion. If able to avoid a Doha-light deal, such an outcome could imply a historical trade agreement in favour of the developing world as well as boosting the multilateral trading system

The fact that the US presidential election is just around the corner could - if a Democrat is to take the seat in the White House - cause imply a protectionist mode of the US in order to turn around its economic crisis. In addition, the case of climate change has become a concern of the US, who has not ratified the first Kyoto-agreement, but hopefully the US will be on board in the next protocol that is to be agreed on at the COP15-meeting in Copenhagen 2009. In contrast, the EU has been a strong advocate of adopting environmental restrictions to fight climate change. A general concern is that the case of climate change will be a costly affair introduced at the expense of trade liberalization. More specifically, the implementation of environmental protection standards may be trade distorting and therefore inconsistent with WTO-rules.

In spite of the predominant delays experienced in the Doha-Round, the agricultural and non-agricultural negotiations have recently been progressing. This has resulted in new modality drafts of the two areas published in Spring 2008. However, the service-negotiations, GATS, have not been advancing in the same manner primarily because of the strong resistance of the developing countries. If a conclusion of the Doha-Round is to be realised or if the negotiations will break down for good are difficult to predict. Primarily, the round has been marked by delays for numerous of reasons. However, the fact that progresses have partly been achieved may cause for a successful result. Although; there exist a serious risk of an outcome with poor results, as in a Doha-light agreement. Actually, the progresses in agriculture and NAMA may not even relate to the technical details of the areas per se, but rather be an indication of a strong wish of the members to continue the WTO and the multilateral trading system, which may be 'threatened species'.