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Policy Studies
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Can plurilaterals be multilateralized?

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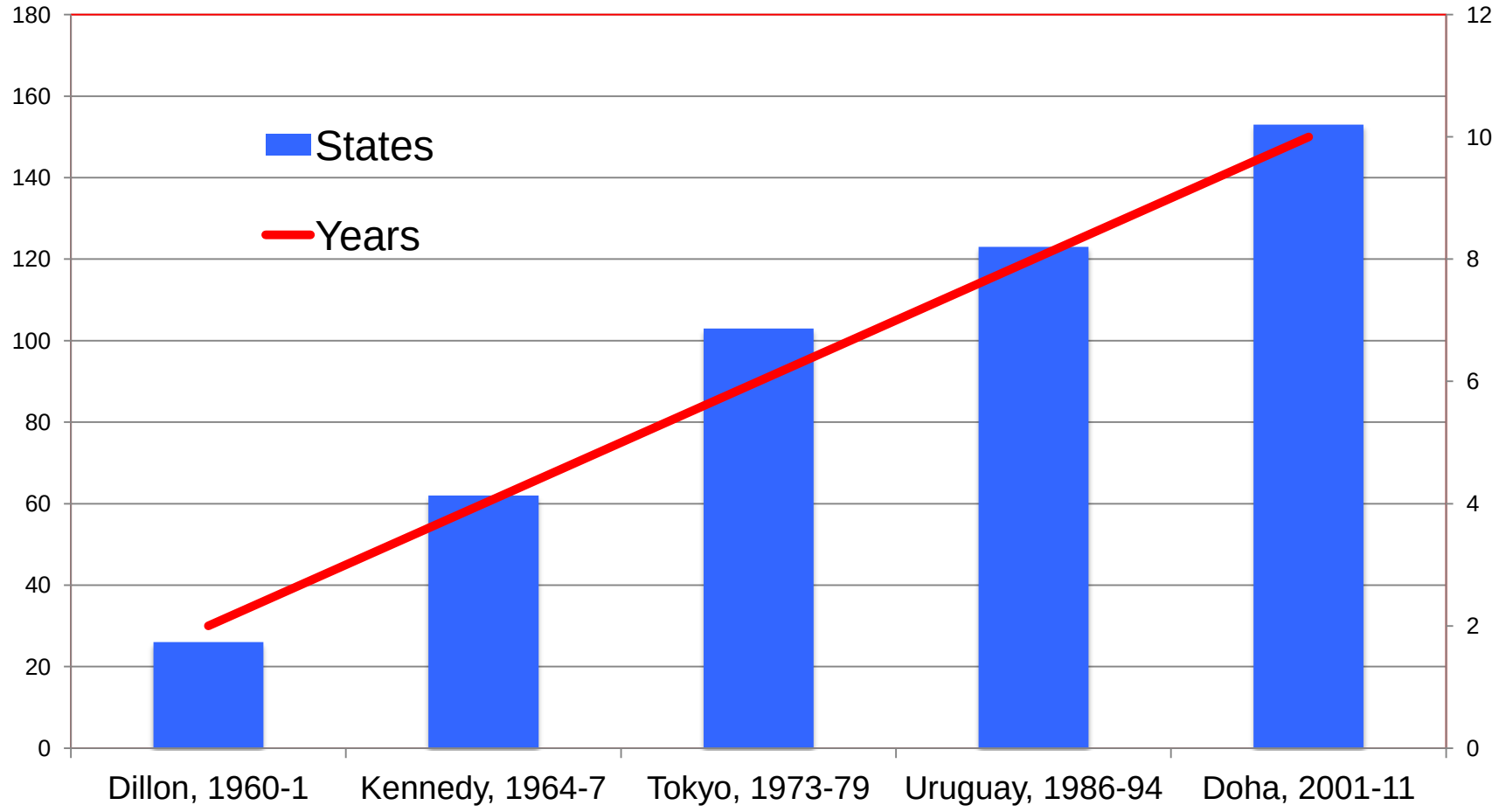
GATT/WTO negotiation "rounds"



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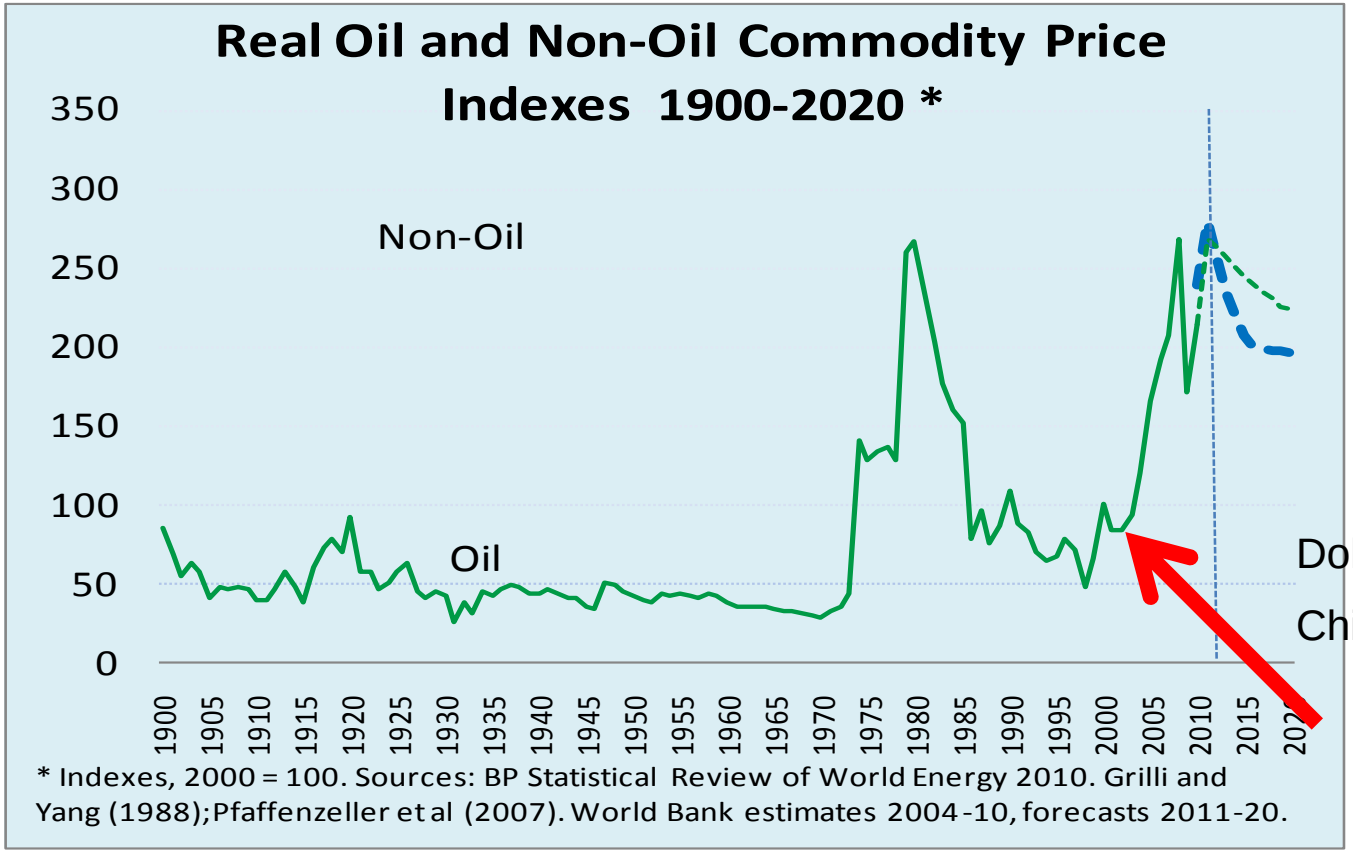
How markets changed during Doha Round

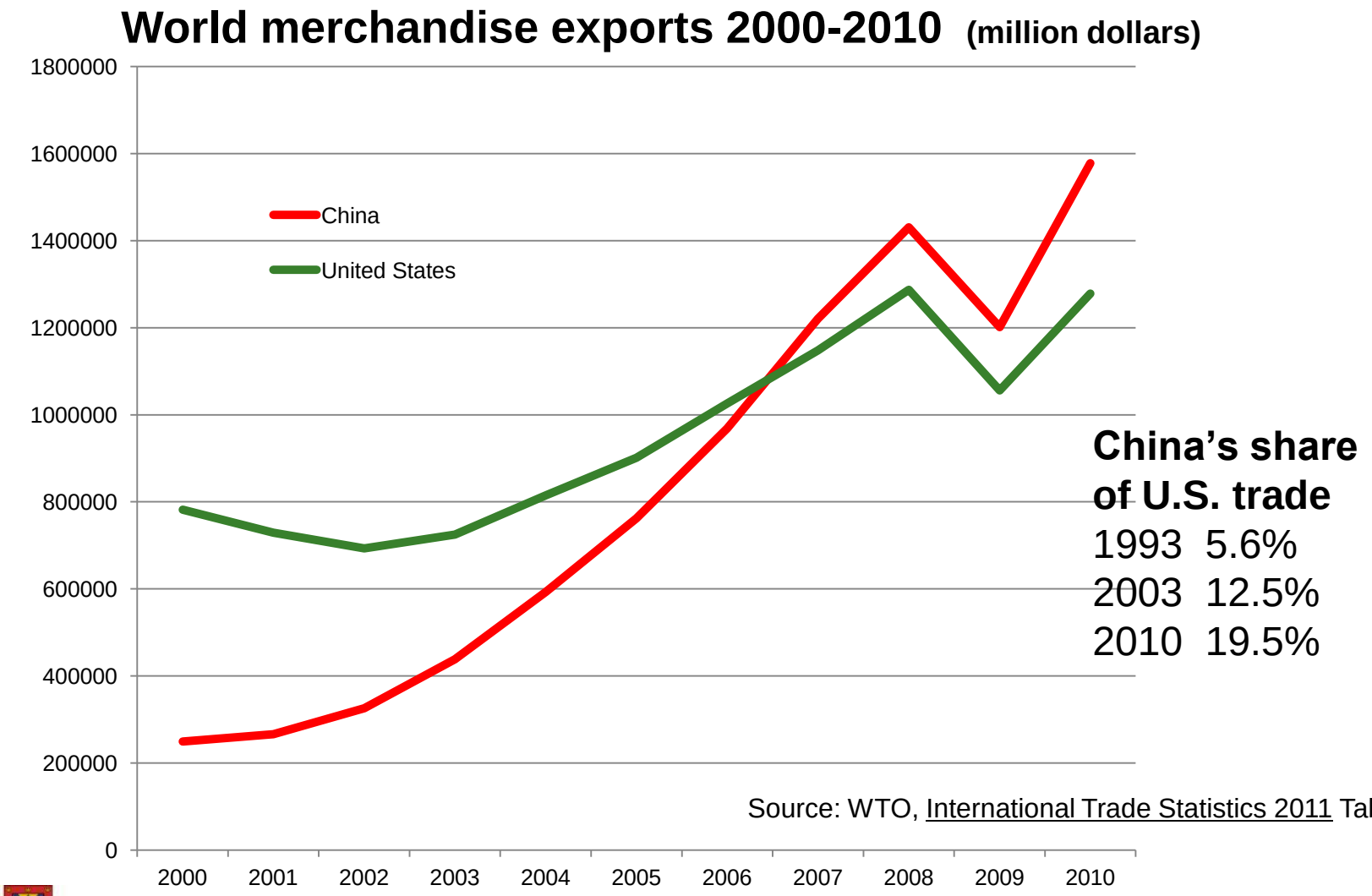


Doha starts;

China joins WTO

Source: World Bank

Trade flows transformed



China's share of U.S. trade

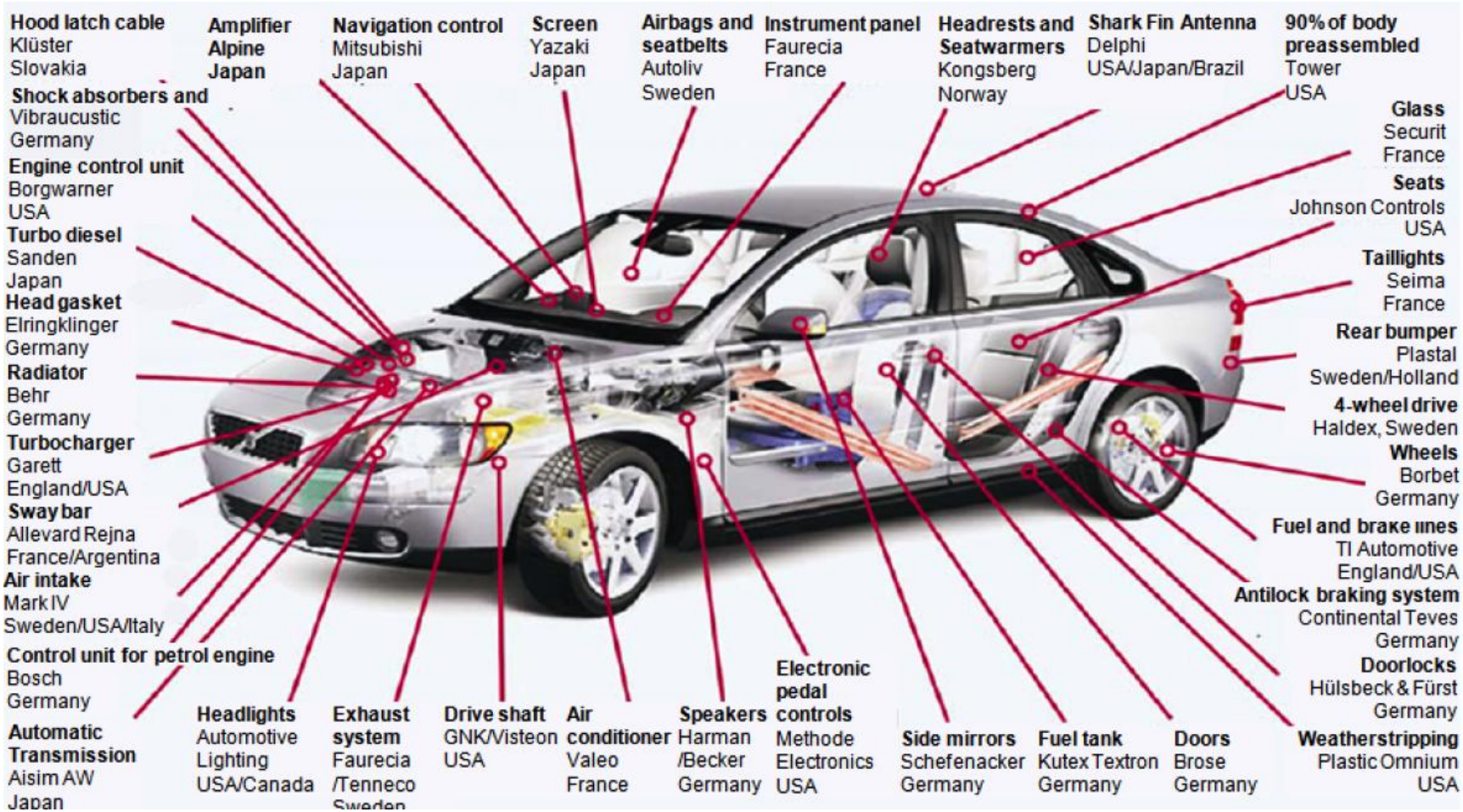
1993 5.6%

2003 12.5%

2010 19.5%

Source: WTO, International Trade Statistics 2011 Table A6

Made in the world (only half in Sweden)



Institutional design of "plurilateral"

- Less than full WTO membership
- Limited range of issues
- Critical mass decision-making not consensus
- **Problem:** asymmetry of interests on issues **and** partners

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Rounds unnecessary for liberalization?

- If no Doha Round, which single issues goes first?
- One that faced biggest obstacles? agriculture
- One of most interest to some OECD countries? services
- Standalone negotiations in both agriculture and services began in 2000, and went nowhere

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Who matters in a plurilateral?

- Doha Round problem 153 Members, or 5?
- Is a deal without all 5 worth having?
- Given asymmetrical interests among them, can the 5 reach a deal on one issue in isolation?
- Is a package a “single undertaking”?

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Three meanings of "single undertaking"?

1. Doha Round package as re-defined through Hong Kong and July 2008
2. Negotiation has to be a package
   - Doha: ‘the conduct, conclusion and entry into force of the outcome of the negotiations shall be treated as parts of a single undertaking’
   - TPP?

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3. The WTO acquis

- ‘the WTO Agreement shall be open for acceptance as a whole....’ *Final Act* para 4
- Accumulated rules and practices must be accepted by new Members
- All Members apply all agreements with respect to all other Members.
- ➢ Clear differentiation in practice does not undermine principle

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Logic is clearest with the United States

- Other countries are unlikely to conclude any negotiation with U.S. without some version of "fast track"
- U.S. needs a package deal does not unravel once submitted to Congress.
- Given heterogeneity of Congress, any deal has to have something for many different constituencies.
- Logic will tend to favour deals with a critical mass of *issues* and *participants*

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To what extent is it possible to "multilateralize" plurilaterals?

- Most WTO negotiations a linked set of self-selected critical mass building blocks
- Necessary bundling is in effect **a** single undertaking
- At some stage Members have to agree on what is a necessary part of the bundle
  - To close the deal
  - To maintain integrity of WTO *acquis*

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