

University of the Witwatersrand: Department of International Relations



**DEVELOPING COUNTRIES COALITION EVOLUTION IN THE
WTO: CAUSES AND CONSEQUENCES**

Masters Research Report

*Submitted in partial fulfilment of the requirements for the Degree Masters of Arts
in International Relations to the faculty of Humanities, University of the
Witwatersrand Johannesburg by:*

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Declaration

I declare that this Research Report is my own original work, each significant contribution to and quotations that I have taken from the work(s) of other people have been acknowledged and properly referenced. I have not previously in its entirety or part submitted it at any university for a degree.

Signed: Nkotseng. (W) Phahle_

Date

Dedicated

**To my late father who could not be here to see me complete this work: Samuel Sammy
Phahle**

&

My source of strength mother: Kate Phahle for her unwavering support

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Abstract

Since the end of the Uruguay Round of trade negotiations in 1994 and the subsequent formation of the World Trade Organisation (WTO) in the following year (1995), there has been a proliferation of coalition formations within the WTO especially by developing countries. Each coalition seeking to effect a particular change in the international trade regime, whether be structural, organizational, governance or the equitable share of costs and benefits etc. This research report seeks to unpack the types of coalitions formed and assess the rationale behind their formation. A comparison of coalition's pre and post 1995 will be made to get a glimpse of what distinguishes new coalitions from their predecessor. Amongst other things the impact or lack thereof which these coalitions has had on the structure, procedures, decision making and rules of the WTO, would also be evaluated to reflect on their success and weaknesses in trade negotiations. The Dependency theory of international relations together with the Transformational Leadership Approach drawn from the public administration school of thought would be used to explain the poor success of these coalitions. And account for reasons why most of them have recorded minimal success in their endeavours of creating an international trade regime with a more human face. The emergence of rising powers (e.g. countries like China, India, Brazil and to a lesser extent South Africa) together with the leadership roles which these countries provide in coalition building would be explored in an attempt to explain how these new actors or powers in international relations have the ability to mitigate on the weakness that crippled coalitions and ensure that developing countries forge strong coalitions capable of realizing their intended goals within the WTO moving forward.

Key words: GATT, WTO, Developing Countries, Coalitions, Negotiations, Rising or Middle Powers and World Trade

683553

Table of Contents

Page: no

Acknowledgements	3
Abstract	4
List of acronyms and abbreviations	8

Chapter 1: Introduction and Background, Research Questions, Objectives, Rationale and Study Methodology

1.1. Introduction and Background	10
1.2. Research Questions	13
1.3. Objectives of the Study	13
1.4. Relevance of the Study	14
1.5. Theoretical framework	15
1.6. Research Methodology	19
1.7. Limitations of the Study	20
1.8. Study Demarcation and Chapter Outline	21

Chapter 2: The WTO and Developing Countries Coalitions in a Historic Perspective: From GATT, Uruguay to the Makarrash Agreement

2. Introduction	23
2.1. History of the GATT/WTO	23
2.2. Developing Countries in the GATT system	25
2.3. Emergence of Developing Countries Coalitions in the GATT/WTO	28
2.4. Types of Coalitions	30
2.5. Reasons for Coalition Formations	31
2.6. Conclusion	34

Chapter 3: The Real World of Multilateral Trade Negotiations and Coalitions at Play: The Uruguay Round

3. Introduction	35
3.1 GATT rules and Trade Negotiations	35
3.2 Developing Countries Coalitions at Play: The Uruguay Round	38
3.3. Issues on the Negotiations Agenda	39
3.3.1. Agricultural Trade	39
3.3.2. Trade Related to Intellectual Property Rights (TRIPS)	39
3.3.3. Trade on Services	40
3.3.4. Trade in Textile and Clothing	40
3.4. Developing Countries in the Negotiations	41
3.4.1. Formation of Coalitions in the Negotiations	41
3.4.2. Coalitions Failure at Uruguay: A Post-mortem of the Causes	43
3.5. Coalition Resilience Post Uruguay	47

3.6. Conclusion	48
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Chapter: 4 Causes of Coalition Evolution in Trade Multilateralism: The Leadership Factor

4.1. Introduction	49
4.2. Understanding Coalition Evolution: Setting the Context	49
4.3. Coalitions at Seattle Ministerial 1999	50
4.4. Coalitions at Cancun Ministerial 2003: The G20 and the Rest	53
4.5. Contending Explanations of Coalition Evolution	57
4.5.1 Social Learning	58
4.5.2 The raise of Regionalism or Regional Trade Blocks	59
4.5.3. Inclusion of New Issues on the Negotiations Agenda	60
4.5.4. Emerging Powers in the Global Economy	60
4.6. Leadership as an Explanatory factor for Coalition evolution	61
4.6.1. India's Leadership in the LMG	62
4.6.2. The Leadership of South Africa in the NAMA11	64
4.6.3 Brazil in the CARICOM	65
4.7. Conclusion	67

Chapter: 5 Consequences of Coalition Evolution and the Future of the Multilateral Trading System

5.1. Introduction	68
5.2. Immediate Consequences of Coalition Evolution for the WTO	68
5.3. Consequences of Coalition Evolution Beyond the WTO	69
5.3.1 More South-South Cooperation	69
5.3.2 Increased Intra-South Trade	70
5.3.3 Development of formalised Southern structures/Institution	70
5.4. Where to From Here	72
5.5. Conclusion	72

Chapter: 6 Conclusions and Recommendations

6.1. Conclusion	73
6.2. Recommendations & Areas for Future Research	76

Bibliography	79
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Appendix: Developing Countries Coalitions Active in the WTO: as of December 2006	84
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List of Figures and Tables

Figure1: Developing countries coalitions at Uruguay Round of trade negotiations	43
Figure 2: Developing countries coalitions at Seattle Ministerial Conference (1999)	52
Figure 3: Developing countries coalitions at Cancun Ministerial conference on trade (2003)	56

LIST OF ABBREVIATIONS/ ACRONYMS

ACP	Africa Caribbean Countries
AG	Africa Group
APEC	Asian-Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
AU	African Union
DDA	Doha Development Agenda
EU	European Union
FIG	Food Importers Group
GATT	General Agreement on Tariffs and Trade
G-8	Group of 8 countries
G-10	Group of 10 countries
G-13	Group of 13 countries
G-20	Group of 20 countries
G-77	Group of 77 countries
IBSA	India Brazil South Africa
IR	International Relations
IMF	International Monetary Fund
IO	International Organizations
LDC	Least Developed Country
LMG	Like Minded Group
NAM	Non-Aligned Movement
NAMA	Non-Agricultural Market Access
NGO's	Non-Governmental Organisations
NIEO	New International Economic Order

NTB	Non-Trade Bearers
RTA's	Regional Trade Agreements
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNSC	United Nations Security Council
US	United States
WB	World Bank
WHO	World Health Organisation
WTO	World Trade Organisation

Chapter: 01

Introduction and Background, Research Questions, Objectives, Rationale and Study Methodology

1.1. Introduction and Background

Since the end of the Uruguay Round of trade negotiations in 1994 and the subsequent formation of the World Trade Organization (WTO) in the following year (1995), there has been a proliferation of developing countries coalitions in the WTO. Most of these coalitions are highly visible, formalised and well-co-ordinated. This is most notably so, for the G-20, the G-33, the Least-developed Countries (LDCs) Group, the Like Minded Group (LMG), the African, Caribbean and Pacific (ACP) Group, the African Group (G90), the Small and Vulnerable Economies (SVEs) Group, CARICOM, IBSA and the C4 cotton producers group, all of which meet regularly to establish and defend common positions within the multilateral trading regime.¹

Coalition formation within the GATT/WTO is not a new phenomenon it has its roots in the pre-historic 1986 Uruguay Round. What is striking about the recent wave of coalition formation within the WTO is a manner in which the coalitions are institutionalized, organized and well-coordinated to respond to the highly complex environment of trade negotiations.² These coalitions have equipped developing countries with the necessary mechanisms to enable them to make trade concessions that can actually see them addressing past injustices inherent in the system and actually benefiting from international trade. Another distinguishing feature of these new coalitions is reflected in their ability to shape the discourse of trade negotiations and ultimately influence both agenda and decision making in the international trade milieu, a phenomenon which did not exist 25 years ago when the Uruguay Round of trade negotiations was in its pick.

Writers like Armita Narlikar continuously reiterates that unlike their predecessor first generation coalitions (e.g. those coalitions formed during the Uruguay round), These new generation of coalitions (e.g. Second generation coalitions), meaning coalitions formed post 1995 are set to upset the international balance of power in trade negotiations and shift the agenda setting role

¹ Patel, M, H: Building Coalitions and Consensus in the WTO, Oxford University, London, 2008, P.4

² Ibid, P. 4

from the core to the periphery.³ Narlikar argue that this shift of power balance manifest itself in the persistent deadlocks observed in the system and in the failures of negotiating parties to reach agreements. Narlikar point to the inability of WTO members to reach an agreement in 1996 regarding the Singapore issues (e.g. issues of Investment, government procurement, and competition policies), together with the collapse of subsequent WTO ministerial conferences beginning in Seattle 1999, Cancun 2003, Korea 2005 and the current stalemate in the Doha round of 2001, As evidence of a strong coalition formation from the South. Just like Narlikar, Moore, point to the different roles coalitions played in the WTO, to get member states to commit to a new round of trade negotiations (the Doha Development Round) as an indication of a coalition that is no-longer open to manipulation and exploitation by the quad group (e.g. the US, EU, Japan and Canada).⁴

It has thus become apparent since the launch of the Doha Round of trade negotiations in 2001, that coalitions have emerged as the major role players in international negotiations as they continue to strive for better terms of trade in north-south divides.⁵ The existence of these coalitions within the multilateral trading system has major ramifications for the unfolding trade regime. On the one hand these coalitions have the ability to bring about the well needed reforms in the WTO. That would actually see the developing world benefit from international trade and its rules. Whereas on the other end, these coalitions have the capacity of bringing international trade to a standstill, by continuing being the main source of deadlocks in international trade negotiations.

Despite their recent rise in power and stature, increased role in multilateral trade negotiations and their overarching impact on WTO decision making, little remain known about these epistemic communities. Together with the forces at play, that have led to a change in coalition formation or bargaining over the years.

Contending explanations given as to why these coalitions have evolved to become more coherent, strong and adoptable to respond effectively to the pressures of multilateral trade

³ Narlikar, A.: Deadlocks in Multilateral Negotiations: Causes and Consequences, Cambridge University Press, Cambridge, 2010

⁴ Moore, M, "Doha and Beyond, the Future of the Multilateral Trading System", Cambridge University Press, UK, 2004, P. 45

⁵ Ibid, P. 52

negotiations. Or to put it frankly why second generation coalitions are more effective than their predecessor centre mainly around prior learning, the broadening of scope in multilateral trade negotiations and the increase in memberships especially by developing countries in the system over the years. Other scholars also identify the advent of middle powers in international relations as a cause of this evolution in coalition formation, whereas others identify the inclusion of new issues on the negotiation agenda as central to the observed evolution in coalition formation.

The following research report is not intended in any way to discredit these orthodox views or move away from the theory, but it is simply here to add to existing knowledge. By reiterating that even though prior learning, the inclusion of new issues on the negotiations agenda and the increase in membership on the part of the third world, has had a direct impact on how coalitions have evolved in the WTO. The emergence of rising powers e.g. countries like Brazil, China, India and to a lesser extend South Africa are equally important in understanding the evolution of these epistemic communities coalitions.

Due to the fact that these countries have been instrumental in providing the necessary impetus (e.g. the leadership role) required on the part of the developing world in the WTO to forge strong alliances. Moreover these countries have over the years emerged to be strong forces in International Relations to be recon with promoting the South-South agenda. The likes of China, Brazil and India are regarded *as da facto* leaders of the developing world seeking to advance the interest of the South in multilateral foras. From the United Nations Security Council (UNSC), the International Monetary Fund (IMF), the World Bank (WB) to the World Health Organization (WHO) and many other international foras including the one under discussion here (WTO).

It is against this backdrop, that the following research report emerges and seeks to provide a close analysis of coalition evolution in the WTO/GATT and explain it, in light of these rising powers in the equation. Amongst other things the study also seeks to draw parallels between the two generations of coalitions and address a number of questions regarding these epistemic communities in the WTO. The questions this research paper seeks to address regarding coalitions ranges from empirical questions to far reaching epistemological questions that have theoretical underpinnings.

1.2. Research Questions

The central question which this research report intends to interrogate or analyse is:

- Why developing countries coalitions in the multilateral trading system have evolved over the years?
- What has been the cause of this evolution?
- What role did leadership play in the evolutionary process of coalitions?
- And finally what are the implications of this evolution for the multilateral trading system looking at current and future negotiations?

Amongst other things the study also seeks to explore and investigate in detail the factors that lead to coalition formation and failure in the WTO. In addition to these the study would also attempt to compare and contrast in detail the attributes that distinguishes first generation coalitions from their successor, second generation coalitions.

1.3. Objectives of the Study

The objectives of this study are multi-fold. However the primary objective of the study is to explain why developing countries coalitions in the WTO have evolved and became more coherent, organized and strong. Despite this central objective other objectives of the study are as follows:

- To locate the role played by new powers in the evolutionary process of coalitions.
- To establish causality between leadership and coalition evolution
- To assess what distinguish/ set apart these new generations of coalitions from their predecessor
- To explore the reasons why countries form coalitions
- And lastly to study the implications of this coalitions for the WTO and future of the multilateral trading system by looking at their diplomacy since the lunch of the Doha round and beyond.

1.4. Relevance of the Study

In light of increased deadlocks and stalemates in multilateral trade negotiations beginning in Seattle 1999, Cancun 2003 and currently Doha since 2001 as a result of strong coalition formation from the South.⁶ It has become expedient if not essential to start studying the rise of these coalitions in the WTO together with factors which has led to the rise of such organized groupings capable of bringing trade negotiations to a standstill. Moreover the future of international trade negotiations hangs in the balance and the successful conclusion of the current Doha developmental round would depend in part or very much on whether or not this epistemic communities or coalitions give in to the demands/concessions made by the quad group or the latter give in to the proposed reforms made by these coalitions.

Given what is at stake in multilateral trade negotiations and the ability of these coalitions to affect traditional patterns of trade negotiations whereby coalitions formed by the South collapse in the endgame/ at the final stages of negotiations in green rooms, leaving the North to have their way by dictating the discourse of trade negotiations. These new coalitions have moved beyond this as epitomized by their behaviours in Cancun and their ability to hold their ground till the final stages of negotiations in so doing balancing power in the negotiation process.⁷ Despite this centrality of undertaking the research, international trade has over the years been regarded as a significant developmental tool for those in the south. In terms of the UNCTAD report of 1976 international trade need to be seen as a mechanism through which underdeveloped nations of the world can escape the intricate challenges of poverty and underdevelopment, thus reaching a state of welfare and human flourishing.

Anything likely to pose a threat to it or advance it further needs to be put under the academic microscope and scrutinized. The fact that the rise of these coalitions within the multilateral trading system is likely to bring trade liberalization to a standstill or promote it further makes the study of coalition formation within the trading system necessary. Knowledge about these

⁶ Hurrell, A and Narlikar, "A New Politics of Confrontation? Developing Countries at Cancun and beyond", mimeo (Oxford/Cambridge), 2005

⁷ Bernal, L, E, Kaukab, R, S Musungu S, F and Paolo, B, "South-South Cooperation in the Multilateral Trading System: Cancun and Beyond", Trade-Related Agenda Development and Equity, Working Papers 21, South Centre, May 2004

coalitions can only be harnessed through extensive research. Hence the study below do just that by probing deep into the evolution of coalition formation in the WTO pre and post Uruguay to see what has changed and what has been the cause of these changes.

Moreover Coalition formation within the WTO has not been given that much scholarly focus it deserves. Due to the fact that dominant literature documenting the WTO tend to focus exclusively on trade rules and principles e.g. the dispute settlement mechanism entrenched in the system, the single undertaking rule, the principles of Most favoured nations (non-discrimination), anti-dumping policies, special differential treatments together with the rules of origin and many others. On the other token dominant literature on multilateral trade, focus broadly on the question of whether or not international trade rules are being enforced by signatory members of the WTO, especially by developing countries and their effects on the later.

In addition to this existing literature on coalitions reflects historical experiences of disastrous coalition bargaining within the GATTs and the many weaknesses that crippled developing countries in forming effective alliances or coalitions capable of advancing their interest in the trading system. Thus the literature out there falls short of documenting recent developments in either coalition formation or bargaining. It is against this backdrop that the research emerges to fill in the knowledge gaps that exist between first generation coalition making and second generation coalition making, together with the reasons as to why these coalitions have evolved.

1.5. Theoretical Framework

Theorizing about coalition formation and evaluation have over the years has yielded a number of insights seeking to explain this particular phenomenon.

Realists argue that states form coalitions in the WTO to advance their individual national interests and to balance the power in the negotiations process by enhancing their bargaining power. Realist would probably point to coalitions formed by countries like Mali, Benin, Chad and Burkina Faso e.g. the C4 cotton producers as an example of such coalitions. For example members of the C4 group share common national interest which is to have greater market access for their products (cottons) in the highly protected US and European market.⁸ The existence of

⁸ Drahos, P: International Trade Negotiations, When the Weak Bargain with the Strong. In international journal of Economics, Vol. 4, No. 11, 2003

these common interests is what glues its members together. The same can be said for the Small Vulnerable Economies (SVE's) group whose members share common national interests given the vulnerability of their economies or the smallness of its members economies, the group is advocating for special and preferential trade treatment for their products in the European market and to liberalize their industries in accordance with the size of their economies not in terms of the single undertaking rule of the WTO. On the other hand realists argue that once these interest are served coalitions tend to disintegrate or fail.

Dependency theory has on the other spectrum being very instrumental in explaining traditional patterns of why coalitions fail in the WTO. In terms of dependency theorists, the structure of the capitalist system has perpetuated an environment whereby countries are unequal and certain nations depend on others for their wellbeing. The subservient nature of the developing world to their developed counterpart keeps them in fear of opposing prescriptions made by the later. As a consequence coalitions formed by developing countries often collapse, because being kept in subservient position undermines their desire to rise against the directives of the North or oppose the parameters set by the master the developed world in this case.

It is evident from the above discussion that both these theories (Realism and Dependency) are appropriate for explaining factors that give rise to coalition formation and ultimately those that leads to their demise. To put it frankly these theories are adequate or effective in explaining why countries form coalitions and why these coalitions fail. They nonetheless fall short of accounting for reasons why coalitions have evolved and became more coherent, strong and organized to respond to the demands of the WTO.

As already mentioned in the introductory part above, different approaches seeking to explain coalition evolution within the WTO and its reasons tend to focus mainly on prior learning, the broadening of scope in multilateral trade negotiations, inclusion of new issues on the trade agenda and the increase in memberships especially by developing countries, as reasons why coalitions have evolved.

In view of the fact that, these study aims to make a contribution to these approaches by illustrating that the rise of new powers in international relations together with the leadership role

which these countries provide is equally important in understanding why the behaviours of these coalitions have change or why these epistemic communities have evolved.

Given the centrality of the concept Leadership, the Transformational Leadership theory/approach emanating from the public administration school of thought or academic field, would be applied extensively throughout these study to explain first why coalitions have evolved in the WTO, What has caused these alteration in coalition behaviour. Second to explain why previous coalitions where ineffective and falling short of meeting their goals, thirdly what has motivated these countries to provide the leadership role required to strengthen coalitions? The theory will also be used to explain the implication of these strong coalitions for the current and future negotiation outcome in the WTO, as well as in other multilateral foras.

The transformational leadership approach is chosen as the tool of analysis for coalition evolution in light of the fact that the leadership role which certain rising powers (the likes of Brazil, India, South Africa and China) provides in coalition bargaining or formation resonate very well with the transformational leadership approach.

As an approach the transformational leadership made its debut in 1973, the term transformational leadership was first coined by J.V. Downton in his groundbreaking book *Rebel Leadership: Commitment and Charisma in a Revolutionary Process*. The term was later popularized by James MacGregor in his 1978 book entitled "*Leadership*". To date the term is widely applied by Bass, B. (1985) *Leadership and Performance Beyond Expectations*. Bass, B, M and Avolio, B, J (1994) *Improving organizational effectiveness through transformational leadership*. Initially the concept of transformational leadership was applied extensively in the study of political leadership and organizational studies, to see how leaders in different organizations, groupings or institutions relate with their subordinates/followers, together with the intrinsic roles leaders play in firstly (1) establishing a clear vision, (2) sharing that vision with others so that they will follow willingly, (3) providing the information, knowledge, and methods to realize that vision, and (4) coordinating and balancing the conflicting interests of all members or stakeholders, so that the parties involved can work together towards the attainment of a common vision or shared goal.

Transformational leadership is a process in which the leaders take actions to try to increase their associates' awareness of what is right and important, to rise their associates' motivational

maturity and to move their associates to go beyond the associates' own self-interests for the good of the group, the organization, or alliance. Such leaders provide their associates with a sense of purpose that goes beyond a simple exchange of rewards for effort provided. And in so doing the leader is instrumental in forging common ground and articulating the interest of all parties involved.⁹

The goal of transformational leadership is to ‘transform’ people, groupings or organizations in a literal sense – to change them in mind and heart; enlarge their vision, insight, and understanding; clarify purposes; make behaviour congruent with beliefs, principles, or values; and bring about changes that are permanent, self-perpetuating, and momentum building”.¹⁰

All Transformational leaders share the following characteristics in common:

- They behave in ways that bring out the best in individuals and teams
- Show genuine concern and respect for others
- Continuously invest in the development of themselves and others
- Develop a culture of collaboration rather than command and control where change is welcomed as an opportunity rather than a threat
- Recognize that leadership needs to be demonstrated by everyone in the organization
- Authentic transformational leaders build genuine trust between leaders and followers.
- Transformational leaders concentrate on terminal values such as integrity and fairness. They see the responsibility for their organization’s development and impact on society.
- They increase the awareness of what is right, good, important, and instrumental, when they help to elevate their followers, they go beyond their individual self-interests for the good of their group, organization, or society.

⁹ Bolden, R., Gosling, J., Marturano, A. and Dennison, P. “A Review of Leadership Theory and Competency Frameworks” Centre for Leadership Studies University of Exeter, Crossmead Barley Lane ,Dunsford, 2003

¹⁰ Ibid, P

- The truly transformational leader seeks the greatest good for the greatest number and is concerned about doing what is, right and honest at all times, carry the burden of the group and strive for its success always

The leadership that middle powers provide in coalition formation in the WTO post 1995 captures the nominative as well as the empirical characteristics of the transformational leadership approach hence this research report seeks to make use of the transformational leadership approach or theory to explain first and foremost why coalitions have evolved in the GATT/WTO since 1995, by focusing mainly on the leadership role which countries like Brazil, India, South Africa and China provide in coalition formation. The theory will also be applied throughout the study to unpack the questions posed in these research report regarding coalitions as established in the section of research questions and objectives above.

1.6. Research Methodology

The research methodology followed in this study is qualitative, and takes the form of a comparative case study approach. Given the fact that a comparison would be made between first generation coalition formation in the WTO and second generation coalition making, to assess what has change in coalition formation and what has caused these changes. Using our theory of transformational leadership, the study would analyse the rise of middle powers in IR together with the leadership role which these countries provide in coalition formation as forming part of the reasons why coalitions have evolved in the WTO.

The qualitative nature of the study manifest itself in the manner data has been collected and interpreted. The study is mainly based on secondary sources of information. This including; books from the Wits libraries colleen Williams, Waterville and the JSH library, the University of Johannesburg Kingsway library located in Auckland-Park Johannesburg is also used, academic journals from leading journals in international political economy, economics and international trade law, newspaper articles, magazines, media reports on the WTO negotiations and other relevant sources of information including the WTO website, the Department of Trade and Industry dti website would be used to draw literature from. Primary sources of information are to be gathered through interviews mainly with public officials in the Department of Trade and

Industry in South Africa (Pretoria), the Chinese embassy in South Africa and interviews with some South African leading scholars on the subject.

The centrality of critical literature review in the study makes it expedient to apply the method taken, for example the study reviews existing literature on coalition formation to assess what researchers, scholars and academics have written on the matter especially on the causes and reasons as to why these coalitions have evolved over time.

Since the area to be covered in this study regarding coalitions is broad, a comparative case study approach is thus essential, where by cases of coalition formation in the first generation would be compared with those coalitions in the second generation to assess what has changed and what has ushered this change.

1.7. Limitations of the Study

One of the central limitations of the study is its depth and broadness. The study is broad in a sense that it seeks to set the tone for understanding coalition evolution. By documenting as many cases of coalition making in the GATT/WTO pre and post Uruguay round as possible. To illustrate the role leadership has played in their evolutionary process. And also to understand what has ushered these changes in coalitions. This broadness of the study is chosen intentionally given the fact that the study engages with theory development as opposed to theory testing. Therefore it is necessary to analyse as many cases of coalitions as possible to assess if the theory holds.

Future studies can overcome this limitation by identifying either one or two cases of coalitions in the WTO and do a single case study approach or a comparative case study to either discredit or further support the theoretical framework of analysis laid down in this study (the transformative leadership approach in analysing coalitions).

Over-reliance on secondary material as opposed to first hand primary sources of information such as interviews with actual diplomats participating in coalition bargaining is another overarching limitation of the study, which would prove difficult for any scholar interested in the politics of the WTO to overcome. Due to limitation of resources (e.g. monetary resources to travel to Geneva WTO headquarters) and the difficulties involved in trying to access or get in

touch with the ever busy chief negotiators e.g. Ministers, Members of Diplomatic corps, Heads of Missions and Government representatives who are often active in the negotiations of different coalitions and states at different levels. Such limitation was limited in the study by attempting to analyse statements made by these negotiators documented in different media briefings and online publications of the WTO.

1.8. Study Demarcation and Chapter Outline

The study below would be divided into six interrelated chapters; the chapters would be structured as follows:

Chapter 1: covered the introduction and background of the study, research questions, objectives and rationale of the research together with the theoretical framework, and the research methodology applied.

Chapter 2: on the other hand gives a brief history of coalition formation in the GATT/WTO, Conceptualizes coalitions and establishes reasons why countries form coalition in the WTO. In other words this chapter lays down a theoretical framework on how to understand coalition formation in the WTO, by looking at contending theories or approaches of coalition formation.

Chapter 3: focuses mainly on the real world of trade negotiations and developing countries coalitions within the negotiation milieu. The chapter covers coalitions formed leading to... and during the Uruguay round the so called “first generations coalitions” and establishes the reasons why these coalitions failed. The chapter also compares these coalitions, with those formed after 1995 second generation coalitions to see what has changed. and what has caused these changes.

Drawing mainly from Chapter 3: **Chapter 4** endeavours to locate the rise of new powers and their leadership role in coalition formation and use this as an explanatory factor to explain the evolutionary process. In this chapter the Transformational leadership theory would be applied extensively to explain coalition evolution.

Chapter: 5 would take a look at different coalitions in the WTO which China, India, Brazil and South Africa are party e.g. the likes of the G20, the NAMA group, the Like Minded Group, CARICOM, IBSA etc. To illustrate the implication of the leadership which these countries provide for coalitions,

Chapter 6: would conclude and recap some of the major themes discussed in the study, furthermore the chapter would provide recommendations for future research concentrating on the study of coalitions in the multilateral trading system.

Chapter: 02

The WTO and Developing Countries Coalitions in a Historic Perspective: from GATT, Uruguay to the Makarrash Agreement

2. Introduction

The following chapter provide a historical background of the World Trade Organisation and coalition formation within the Organisation. This is done by looking at the various aspects of the organisation starting from the organisations charter, mandate, and reasons for formation, to its principles and procedures. The chapter serve a twofold function. First it seeks to conceptualise and explain what the WTO is and why the organisation was formed. Second the chapter endeavours to give a brief history of coalition formation in the GATT/WTO, Conceptualizes coalitions and establishes reasons why they are formed. In other words this chapter lays down a theoretical framework on how to understand the multilateral trading system and coalition formation within it, by looking at contending approaches of coalition formation.

2.1. History of the GATT/WTO

The origins of what became famously known as the General Agreement on Tariffs and Trade (GATT) were sworn in at the abortive negotiations to create an International Trade Organization (ITO) following the end of the Second World War in 1945, during the Bretton woods conference (Pauwelyn, 2005:09).

The Bretton woods conference of 1944 was a conference whereby member states of the international community convened to negotiate the establishment of an embedded liberal international order following the end of the Second World War. With institutions like the UN to ensure peace and security, the WB to facilitate the reconstruction and development of countries following the war, the (IMF) to administer loans and aid for promoting social and human security, and the controversial (ITO) to regulate international trade by ensuring free and fair trade amongst countries, (Gabriela R ădulescu & Dumbr ăvescu, 2008:21).

Negotiations on the other three international Organisations (IO's), the (UN, WB & IMF) went successfully and culminated in their establishment. However the charter of the latter organization the ITO was only concluded successfully in Havana in 1948. But the talks did not lead to the

automatic establishment of the ITO as envisaged, because the U.S. Congress refused to ratify the statute/charter establishing such an institution, (Alessandrini, 2010:23).

Meanwhile, the GATT was negotiated in 1947 on the periphery by 23 countries—12 industrial and 11 developing—before the ITO negotiations were concluded. As the ITO never came into being, the GATT was the only concrete result of the negotiations. According to Ravenhill (2009: 140), the GATT was merely ‘a contract embodying trade rules that were negotiated during a multilateral tariff negotiation led by the US’, and therefore not intended to function as an (IO). But an incremental addition of political and legal powers helped it evolve into a fully-fledged de facto (IO) regulating trade in the form of the WTO.

Since 1947, the GATT became the major focal point for industrial country governments seeking to lower trade barriers and promote free trade to deliberate on these matters. The GATT was initially limited to a tariff agreement (Pauwelyn, 2005). Over time, as average tariff levels fell; it increasingly came to concentrate on nontariff trade policies and domestic policies having an impact on trade. As time went on and with the wave of decolonisation sweeping over the third world (Africa and Asia), its membership started to increase and so where its scope and functions. The (GATT) Agreement came to encapsulate and deal with new issues such as quotas, Non-Tariff Barriers (NTB), trade related to intellectual property rights, trade related to services, investment and government procurement etc.

The GATT has evolved so meticulously through its successive rounds of trade negotiations beginning in the Geneva Round of 1947, the Annecy Round 1948, Torquay Round 1950; “Dillon Round” 1960, “Kennedy Round” 1964, Tokyo Round 1973, to the Historic Uruguay Round of 1986, which ultimately resulted in the institutionalisation of the World Trade Organisation, (Gabriela Rădulescu & Dumbrăvescu, 2008:22). The World Trade Organisation is a successor to the GATT but unlike its predecessor WTO enjoys widespread legitimacy as the international forum for creating trade rules and arbitrating on trade disputes amongst other things.

Over the more than four and a half decades of its existence since 1947, the GATT system expanded to include many more countries. It evolved into a de facto world trade organization, capable of dealing with a vast range of trade issues. It’s fairly complex and carefully crafted

basic legal text has been extended and carefully modified by numerous supplementary provisions, special arrangements, interpretations, waivers, and council decisions to accommodate new codes of conducts and rules for international trade.

To date the GATT now formally known as the World Trade Organization (WTO) currently has a membership of 159 sovereign States and independent customs territories. Its agreements cover some 95% of international trade and regulate the trade of goods and services as well as the protection of intellectual property rights, (Pauwelyn, 2005). Its membership comes close to that of a universal organization, even more so the remaining non-Members are currently negotiating their accession to the WTO. The organisation continues to be regarded as a forum in which trade negotiations take place at the global level and its rules universally applicable.

This has not always been the case. During its initial phase, the membership of the GATT was a bit fragmented and lacked legitimacy, majority of the now members were very sceptical of its benefit and for decades refused to be part of the scheme. Developing countries in particular where the most vocal of all members and regarded the Scheme as a rich man's club, those in Sub-Sahara Africa where adamant that they will never assent to the multilateral trade regime. As its rules fails to cater for their special need and recognise their position in the world economy.

Why then did developing countries come to join the GATT in their large numbers?

2.2. Developing Countries in the GATT System

As already stated above the adaptation of the General Agreement on Tariffs and Trade (GATT) in 1947 by member states of the international community, can be described as a watershed moment in the history of international trade. For decades following the adaptation of the GATTs system, developing countries have resisted to be party to the system (Smith, 2004). Different explanations are given for these, one such pleasurable explanation is that developing countries were very sceptical of the benefits of GATTs and regarded it as a rich man's club. Whereas alternative explanations point to the fact that by the time GATTs was formed most developing countries where embracing a strategy of Import Substitution Industrialization (ISI) as a path to development. This meant that the majority of these countries where inward looking, protectionist driven and embracing a Mercantilist or Keynesian approach to economics. Thus a liberal international trade order with its emphasis on free trade and tariffs cuts mattered very little if it

did at all for them. Consequently the idea of trade liberalization championed by the GATT was seen as a mockery. To make matters worse trade liberalization for them was perceived as a further obstacle to their industrialization or modernization endeavours. For those in Africa trade liberalization was seen as a manifestation of Western Imperialism only this time under the banner of Neo-colonialism. These sentiments further reinforced their position of not joining the GATTs. Instead they preferred to participate in the United Nations Conference on Trade and Development (UNCTAD) as opposed to the latter scheme (GATT), (Draper and Sally 2006:03)

However, it was not long till these countries started taking a keen interest in trade matters. Alessandrini, (2010:94-98) notes that the majority of developing countries came to join the GATT as a result of the 1973 oil crisis, he argues that the oil crisis saw the economies of developing countries plummeting into chaos and many of them looking to the IMF and WB for loans. The loans given by these Bretton woods institutions had far reaching ramifications attached to them, mainly in the form of Structural Adjustment Policies (SAP).

In terms of the SAP these countries had to engage in liberal reforms which amongst other things included trade liberalisation and tariff cuts. As a Consequence of these policies, (Alessandrini, 2010) maintains that developing countries were compelled to marry the neo-liberal ideology which assumes that free trade leads to development. These resulting in the majority of them ultimately joining the GATT, According to Alessandrini developing countries did not join the GATT out of their own conviction but they were coerced to do so by the forces at play in the international system the WB and IMF at the time.

Unlike Alessandrini, , Hudec (2011) reiterates that in the late 1960s and early 1970s the strategy of Import Substitution Industrialization (ISI) was proving difficult to bring about the well needed development in the third world . Thus developing countries came to a realisation that trade protectionism and the imposition of barriers to trade has impacted negatively on their modernisation endeavours.

As a consequence these countries started to look for alternatives elsewhere and trade liberalization which was in line with GATTs rules and principles was seen as a likely move to undertake under this cumbersome circumstances. Writers like (Gabriela R ădulescu & Dumbr ăvescu, 2008) maintain that with the Uruguay Round of trade negotiations around the corner, and

the trade development nextures gaining popularity in the third world. The majority of these countries started to be entangled in international trade and took an interest in becoming party to the international trade scheme. With a view, that international trade would improve their economic position and channel them on a sustainable path to growth and prosperity.

Sheila Page (2002:17), on the other end maintains that upon receiving independence from their colonisers a handful of developing countries joined the GATT through the special accession mechanism provided for in the GATT article, with a believe that free trade and its accompanying rules of comparative advantage will leads to a more stable and predictable terms of trade with their industrialised counterparts. Furthermore Page (2002) notes that this countries where convinced that trading freely would bring about the spill over effects of development which they solely hoped for.

Whatever their reasons for acceding to the GATT system whether coerced by the WB or IMF through the imposition of Structural Adjustment Policies as argued by (Alessandrini, 2010:94-98) or forced by the failures of ISI strategies as alluded to by Hudec (2011). One thing is eminent developing countries joined the GATT in their large numbers, out of a conviction that international trade (free trade) in particular would help them develop their societies, thus modernising their economies.

On the contrary to this conviction, the gravity of obstacles these countries faced in the GATTs system where unprecedented. (1) Firstly these countries found themselves in situations whereby the rules of engagement where skewed in favour of the strong (by the strong the paper tend to mean industrialised countries of the North). Secondly (2) Trade negotiations where unbalanced and the procedure which decisions where arrived at privileged the strong over the weak. Thirdly (3) the highly bureaucratized and technical nature of international trade negotiations implied that the ability of a state to partake in such negotiations depends very much in its ability to rally the best specialists, strategists and experts to furnish and prepare its negotiation positions. In other words participation depended a lot on the country's level of bargaining capacity.

The fact that the majority of this developing countries lacked these technical skills and expertise to enable them to negotiate effectively in the GATT system, placed them in a serious predicament of absolute marginalization. Their voices where for the most part constrained in the

system. As a consequence they faced the dangers of being inactive and becoming passive signatories of a scheme whose rules fails to encapsulate their interest.

These countries inability to negotiate effectively in the system where outplayed in the Uruguay round of trade negotiations 1986 in Punta del Este, where they agreed to a trade bargain that remains highly contested to date. Due to its stratified tariff cuts levels. That continues to rick havoc in the third world, particularly on agricultural trade, services and intellectual property.

In the face of these disparities and institutional constrains, developing countries sought to form coalitions/groupings as the primary means of improving their representation and bargaining power in the GATTs. Narlikar and Tussie (2004) argue that these countries formed coalitions to yield the best trade concessions out of the multilateral trade regime, which they would not necessarily achieve if they acted individually. Amongst other things these countries formed coalitions to make sure that the rules of the trade regime cater for their needs, protect their infant industries and most importantly provides an enabling environment for their goods to have equitable and fair access to international markets.

What then are these coalitions and when did they come so apparent in the GATT?

2.3. Emergence of Developing Countries Coalitions in the GATT/WTO

To fully understand the emergence of developing countries coalitions in the GATT/WTO, it is imperative to first and foremost explain what these coalitions are, both from a theoretical and pragmatic position. In its simplest term the word coalition means groupings or a constellation of individuals coming together for some broader objective. The objective may be narrow or broad depending on the scope or gravity of the situation the grouping emerge under or seek to address. Broadly defined, in the context of international trade negotiations coalitions are conceptualized as ‘sets of governments that defend a common position in a negotiation by explicit coordination and collaboration through pulling resources together.’¹¹

Coalitions are thus, for the purpose of this research understood as a constellation of countries coming together through pulling resources, to defend common positions and advocate for

¹¹ Patel, M, H: Building Coalitions and Consensus in the WTO, Oxford University, London, 2008, P. 8

particular course in the world trading regime. The course may be to get particular issues on the negotiating agenda... Or even to block certain issues from attaining agenda status. Other courses may include obtaining more trade concessions from counterparts on a specific trade issue whether agriculture, services or patent rights etc.

Coalitions have long formed an inherent part of developing countries diplomacy in the world trading system (Hurrell and Narlikar, 2006). The exact date of when these coalitions began to emerge is unknown. However for the purpose of this study, I shall argue that coalitions in the GATT system first came so apparent in the 1970s with a majority of countries from the South joining the trading system and negotiating in groupings. Draper and Sally (2006), notes that the formation of coalitions in multilateralism dates as far back as the early 1950s to late 1970s with calls of a New International Economic Order (NIEO) by the Non-Alignment Movement (NAM), and the G77. Which where coalitions formed mostly by developing countries to get rid of the post 1945 Bretton woods system and establish a New world order from the 1980s onwards.

During this period ideology and shared identity by the developing world was a glue that cemented these countries together. Coalitions formed at the time where coined block-type coalitions, as they were formed primarily by countries sharing common features and identity. Thus these coalitions maintained collective positions on a range of issues. Such block-type coalitions included the Non-Alignment Movement (NAM) in the UN General Assembly, the Informal group of developing countries in the GATT and the Group of 77 (G77) in the UNCTAD, (Draper and Sally, 2006).

These coalitions have been described as first generation coalitions by Tissue and Narlikar (2004). As such they were amongst the first coalitions to emerge in the multilateral system. Arguably one can reaffirm that in the GATT system coalitions came so apparent with the increased participation by the developing world. Mainly towards the late 1970s and early 1980s prior to the launch of the Uruguay round.

The Uruguay round of trade negotiations is by far the most instrumental round of them all. It was during the Uruguay round that developing countries came to participate fully in trade

negotiations. It was recorded that close to 126 developing countries participated in the round. By and large this was the largest number recorded since the launch of the GATT in 1947. It was also during this round that most of the developing countries started to group themselves in different coalitions. Hoping that coalition building would provide them with the necessary impetus to derail their counterparts and secure more trade concessions in the process.

Most of the coalitions observed in the multilateral trading system today, have their ancestral lineage in the Uruguay round. Groups such as the LMG, the G10, café au Lait group, the Africa group and the Food Importers Group (FIG) are amongst the first generation of coalitions formed by developing countries in the run up to the Uruguay round, (Narlikar and Tussie, 2006:07). Some of these coalitions still exist even today. It is also important to note that, coalitions formed by developing countries took different forms and types. As such a distinction can be made between different types of coalitions in the GATT.

2.4 Types of coalitions

There are different types of coalitions to distinguish from: namely block type coalitions and issue-based alliances. The former type (block type coalitions), are coalitions that come together for common interest and attempt to maintain collective positions on a wide spectrum of issues. Such coalitions mostly include likeminded states that share a common identity, history or heritage (Narlikar and Tussue, 2004). Examples of block type coalitions in the GATT include the G10, which appealed for distributive justice in a variety of trade matters on the GATT agenda. The G10 attempted to maintain collective action across issues, despite being instrumental in bringing developing countries concerns on the negotiation agenda pre-Uruguay. The coalition failed to maintain its position during the round as a result it dissipated and most of the issues it raised failed to form part of the Uruguay declaration, this showing the shortcomings of block-type coalitions in trade negotiations.

The latter type of coalition (Issue Based coalitions) - are those alliances formed to deal with specific issues or threat. The coalition tends to dissipate once the issue has been dealt with/ “resolved” (Jusko, 2002). As the name suggests issue based coalitions are characterized by the

very specific nature of their formation. Such alliances are likely to persist for as long as the original cause of their formation still exists. An example of issue based coalitions in the GATT was the café au Lait group lead by Colombia and Switzerland in the Uruguay round.

Contrary to the G10 (block type coalitions) this coalition was formed for instrumental reasons focusing on a single issue mainly the service negotiation. Due to its focus on a single issue the coalition was instrumental in maintaining its position and drafting the service agreement, which formed part of the Uruguay declaration on service agreement. This coalition type is often preferred over the block type one, and believed to be more successful as opposed to its arch rivalry type. Following their assertion to the GATT the majority of developing countries preferred to group themselves in block-type coalitions as shown above.

However towards the 1990s block type coalitions started to loose popularity and gave way to issue-based coalitions. The main thrust behind this paradigm shift was that block type coalitions failed to attain their intended objectives. As their scope is broad and often lacks a clear articulation. A-recognition was thus made that issue-based coalitions would be able to compensate for the weaknesses of block type coalitions as the former focuses on a single well-articulated and defined issue. Currently the vast majority of developing countries coalitions in the WTO are mainly issue-based, though a handful of block-type coalitions still exist. Both this coalitions types shall be discussed in details later on in the study.

2.5 Reasons for Coalition Formation

Coalitions are formed for differing reasons and objectives. The literature as to why developing countries tend to form coalitions in the multilateral trading system is vast and covers many aspects of the trading milieu from structural, jurisdictional, administrative; political to conjectural the list is exclusively exhaustive and endless. Over the years, however a number of theoretical explanations have also resurfaced seeking to understand the methodology and rationale behind developing countries coalition formation in the trading system.

Mashayekhi & Tuerk (2003:19) notes that individual developing countries frequently lack the negotiating leverage and the ability to frame their negotiating positions at various WTO

negotiating bodies. To make matters worse individual developing countries also lack the political clout, necessary to effect positive result in the negotiating process. Both these aspects represent the main disadvantages developing countries face in the WTO negotiations. The building of coalitions or perhaps partnerships amongst developing countries can therefore be seen as a means of combating some of these disadvantages.

Narlikar (2003), on the other hand eloquently reiterates that coalition building by developing countries in the WTO, need to be understood in relation to the position of these countries in the trading system. She argues that developing countries makes up a bulk of the WTO membership. Withstanding this-, the rules of the trading regime fall short of recognising their position and special needs. As a consequence these countries are expected to negotiate in equal footing as their industrialised counterpart.

In most cases this represents a significant challenge for them as they lack the resources or know-how of effectively engaging in trade negotiations. Mindful of their position in the system, developing countries came to a realisation that they need to start negotiating in groupings by pulling their resources together. In order to make their voices heard and putt matters on the agenda, (Mashayekhi & Tuerk 2003).

In addition to this, Peter Drahos maintains that the milieu of international trade negotiations is highly competitive. And the ability of a state to partake in such negotiations depends very much in its ability to rally the best specialists, strategists and experts to furnish and prepare its negotiation positions. The lack of developing countries representation in Geneva poses a conundrum, particularly for small and vulnerable countries with no trade specialists or strategists to prepare their negotiation positions. By forming coalitions those smaller states are able to guarantee some degree of representation.

Drawing from the above narrative, it is evident that for year's developing countries have been forming coalitions in the Multilateral trading system. (1) To improve their representation in the system. (2) To balance power in the negotiation process. (3) To advance the interest of the members. (4) Display a united front and/or give voice to the voiceless. To place matters on the

agenda, advocate for structural reforms in the system nor propose amendment to existing rules or principles whatever the reason, coalition formation have for decades formed an inherent part of developing countries diplomacy in the multilateral trading system.

2.6 Conclusion

In sum this chapter has effectively traced the historical background of the multilateral trading system, by establishing that GATT was formed in 1947, as a result of a failure to create an International Trade Organisation (ITO), by member states of the international community. For fifty plus years of its existence till 1995 GATT became a de facto international institution regulating trade on an international level and prescribing the rules of the game.

Also noteworthy is the fact that developing country were not always enthusiastic participant of GATT and only came to be members of the system as a result of numerous pull and push factors. One of them being the failure of the strategy of import substitution industrialisation to bring about development in the South,

Whereas the other being their forced liberalisation policies- prescribed by the WB and IMF in the form of (SAP). This SAP saw many countries in the developing world marry the idea of trade liberalisation and becoming active participants/signatories of the (GATT) scheme.

Additionally the chapter also revealed that for the most part of their diplomacy in the GATT developing countries were marginalised and cognisant of this marginalisation they decided to group themselves by means of forming coalitions to improve their bargaining capacity. This coalitions as stated took different forms and types, from issue based coalitions to block type ones.

These groupings by developing countries were not always successful, and recorded minimal success in the trading negotiations. The proceeding chapter, chapter 3 will look into the milieu of international trade negotiations in detail and attempt to establish the reasons why developing countries coalitions recorded minimal success in this environment.

Chapter: 03

The Real World of Multilateral Trade Negotiations and Coalitions at Play

3. Introduction

The chapter below will explore the GATT rules as they relate to the real world of trade negotiations. In this chapter the focus will tend to be on the milieu of trade negotiations and on developing countries coalitions as they interact in the negotiation environment. The chapter will be divided into three interrelated and interconnected parts/sections. Part one will focus on how trade negotiations are conducted. The second part on the other hand looks into the different coalitions of developing countries. The main focus will be on those coalitions formed leading to...and during the Uruguay round. In this part an attempt is made to explain/reveal why these coalitions where a failure. The last part of the chapter will discuss what these coalitions are doing differently and what set them apart from their predecessor. A comparison will thus be made between first generations coalitions and second generation coalitions to see what has changed and what has caused these changes.

3.1. The GATT Rules and Trade Negotiations

Since the General Agreement on Tariffs and Trade (GATT) was an agreement or a negotiated outcome between countries in 1947, agreeing to cut tariffs and lower trade barriers. This meant that negotiations to lower the tariffs had to follow a particular pattern or governed by a set of rules (Hoekman & Kostecki, 2001). That would prescribe how trade barriers are to be removed. To facilitate the smooth and fair removal of trade barriers or tariffs cuts. GATT was based on a set of rules contained in different clauses/articles of its charter. These articles essentially required countries to: (i) concentrate national protective measures into the form of tariffs (principle of ratification), (ii) apply these tariffs according to the principle of non-discrimination, and (iii) change these tariffs according to the principle of reciprocity.

Amongst the instrumental articles in the GATT charter was Article I non-discrimination or the Most Favoured Nation principle (MFN). This article requires general most-favoured nation (MFN) treatment: “With respect to customs duties and charges of any kind [...], it states that any advantage, favour, privilege or immunity granted by any contracting party to any product

originating in or destined for any other country shall be accorded immediately and unconditionally to the like product originating in or destined for the territories of all other contracting parties.” In terms of this principle trade concessions offered to one country must also be extended to other countries (Hoekman & Kostecki, 2001). In other words no member must be discriminated against in trade. This rules of the GATT where to serve as guiding principles for the signatory states. Even in trade negotiations at the multilateral level, all the decisions taken/tariff cuts needed to follow this particular rule and apply equally amongst the members.

The heinous crime committed by GATT in this regard, was assuming that all countries needed to be treated as equal trading partners. This negating the status of developing countries in the world economy and their special needs, cognisant need to be taken though as GATT does provide for special and differential treatment for developing countries (Hoekman & Kostecki, 2001). Developing countries are granted special and differential treatment. Article XVIII provide for this. The Article “states that the “contracting parties recognize further that it may be necessary for [developing countries], in order to implement programs and policies of economic development designed to raise the general standard of living of their people, to take protective or other measures affecting imports”

This provision in the GATT charter has come under intense criticism by the leftist, arguing that this rule is there only in principle, given the fact that it’s legal enforcement are relatively weak and in most cases the rule apply selectively. Therefore developing countries are often left with no option but to negotiate in equal footing as their developed counterpart. And engage in non-discrimination tariff cuts as prescribed by article I (Hoekman, 2001).

The other controversial GATT rule that shaped the milieu of trade negotiations was the principle of *reciprocity* (Hoekman & Kostecki, 2001). This principle appears in two specific applications. First, governments are required to seek a “balance of concessions” during rounds of trade liberalization in the sense that they cut tariffs reciprocally. Second member’s needs to engage in reciprocal tariff cuts unless otherwise specified elsewhere in the charter.

Nowhere in the GATT however is the term “reciprocity” precisely defined. According to Bagwell and Staiger (2002), it “refers broadly to the ideal of mutual changes in trade policy which bring about changes in the volume of each country’s imports that are of equal value to

changes in the volume of its exports.” This definition can be understood as ideal guiding GATT negotiations, which governments seek to approximate by using simple rules of thumb.

The three GATT articles mentioned above- paved the way for the environment of trade negotiations. As they required that signatory state negotiate trade matters on equal footing and all members are offered equal status despite their levels of economic development. Second this articles where in a sense devised to ensure that decisions reached during rounds of trade negotiations could be equally binding on all the members. Thirdly the consensus decision making approach of the GATT ensured that all countries have an equal say in the decision making process and certain decisions are blocked in the absence of consensus (Ehlemam & Ehring, 2004). Ideally, in a just world without disparities and power struggles such rules can be applicable. However in the real world of trade negotiations such rules can prove difficult to apply, as it shall be shown latter in the proceeding paragraphs.

The GATT rules came under intense criticism once the majority of developing countries assented to the system. These countries criticised this rules for being selective and bias. Alessandrini, (2010) notes that developing countries started to perceive this rules, as rules crafted not with the developing world in mind, but crafted solely to ensure the triumphant of industrialised countries over their less industrialised counterparts.

The negotiations milieu paved by the GATT rules was premised on the notion of equality & fairness two ideals inherent in the liberal ideology (Ehlemam & Ehring, 2004). Fairness and equality are utopian ideals in the real world of trade negotiations. That would never come into fruition or materialise. The mere fact that trade negotiations take place between weak and strong states, developed, developing and less developed countries, makes the idea of equality in trade negotiations a challenge given the heterogeneity of the negotiating parties.

In responding to this milieu as already mentioned elsewhere, developing countries came to a realisation that they will never achieve any concessions if they are to participate in the system individually, thus they started recognising the need to speak collectively with one voice. This in terms of Page (2002) paved the way for coalition bargaining, especially leading to the Uruguay Round.

The Uruguay Round is often referred to as that round which saw the majority of developing countries partake fully in trade negotiations and locking heads with their industrialised counterparts on a variety of trade issues. In essence it was in Uruguay that developing countries coalitions emerged and became a major part of third world diplomacy in trade negotiations (Balaam, 2008). To fully understand coalition building in the multilateral trade system by developing countries. It is essential to use the Uruguay Round of trade negotiations as a case study to understanding the rise of coalition building, its related weakness.

3.2. Developing Countries Coalitions at Play: The Uruguay Round

The Uruguay Round of trade negotiations began in 1986 soon after the end of the Tokyo Round (1973-1979). Negotiations to launch the round were pioneered by the US and EU. Until Uruguay developing countries played little role in trade negotiations, Page, (2000) maintains that developing countries came active in the Uruguay round mainly because of (3) three pressing reasons. (1) Firstly by the time of the Uruguay round the majority of developing countries were now outwards looking and changing from a strategy of Import Substitution Industrialisation to an outward-orientated approach to development. Access for their exports to international markets had become essential for their development strategy, thus they took a keen interest in trade negotiations for market access purposes.

(2) Secondly, Page (2000) argues that unlike the pre-Uruguay Round whereby developing countries issues were not high on the agenda for GATT negotiations, e.g. Temperate agriculture was effectively excluded; many tropical agricultural products had special arrangements or long-term trading arrangements; clothing and textiles were under the Multi-Fibre Arrangement, (MFA) (and its predecessors), trade was negotiated mainly between primary suppliers. The inclusion of these traditionally excluded issues on the negotiation agenda leading to the Uruguay Round propelled developing countries to participate in the negotiation process.

(3) Thirdly, By the beginning of the Uruguay Round, developing countries trade was becoming significant in world markets: about a quarter of total trade came from the third world, other countries wanted access to their market (and felt threatened by competition from them) they were providing an eighth of manufactured exports at the beginning of the round and more than a fifth by the end. It ceased to be possible for developing countries to remain outside the negotiations

margins. And when the round was launch they automatically became part and parcel of the negotiations.

3.3. Issues on the Negotiations Agenda

Negotiations at the Uruguay Round centered mainly on Agricultural Trade, Trade Related to Intellectual Property Rights, Trade in Services and Trade on Textile and Clothing (Mendoza & Bahadur, 2002).

3.3.1. Agricultural Trade

On the Agricultural side developed countries laid down a specific and substantial agenda for increasing market access and correcting the trade distortions in agricultural trade (Mendoza & Bahadur, 2002:12). Under the agricultural trade proposals, tariffs on agricultural products were to be reduced (i.e. 36% for developed countries over six years and 24% for developing countries over ten years) to improve market access, and protection in the form of export subsidies as well as domestic producer subsidies or Aggregated Measure of Support (AMS) was to be reduced (i.e. 20% for developed countries and 13.3% for developing countries). The aim of the agreement on agriculture as proposed where amongst other things to reduce the mandated subsidies and at the same time, to increase the exempted subsidies, thus undermining the aim of reducing overall domestic support of the commodity.

3.3.2. Trade Related to Intellectual Property Rights (TRIPS)

On TRIPS negotiations proposals were made to member nations to agree on the provision of a common standards for protection of all intellectual property applying to all technologies in products and processes, with the aim to balance innovation with transfer and dissemination of technology to the mutual advantage of producers and users in a manner conducive to social and economic welfare (Ostry, 2000). Negotiations aimed at establishing a common standard of intellectual property rights across all countries and protect the transfer of and/protection of patent rights.

Negotiations on the TRIPS proposal were strongly opposed by developing countries for three reasons. First, the concentration of research and development activities in the developed

countries meant that a stronger international patent regime would transfer rents from developing countries to developed countries. Second, stronger patents would increase the end consumer price of their applications, making these products harder to access for consumers with low purchasing power. Third, many developing countries had an established tradition of collective as opposed to individual ownership patterns, especially for indigenous knowledge, which was fundamentally contrary to the TRIPS model (Mendoza & Bahadur, 2002:10). The TRIPS negotiations were the most contentious during the round and created numerous divisions amongst the negotiating parties.

3.3.3 Trade on Services

On services the proposal put forth by the developed countries included a strong desire to liberalize the service sector in the developing world, which was somewhat fragmented and nonexistence. The developing world on the other hand had a strong desire to protect this market and argued that their service sector is still in its infancy stages and thus needs some form of protectionism and room for development. Another argument advanced by the developing world on Service negotiations was that the Service sector in the developed world is more industrialized and their countries stand to benefit less from liberalization in this sector as opposed to their developed counterparts, (Mendoza & Bahadur, 2002). To this end developing countries proposed that negotiations on the Service sector be postponed till other sectors like agricultural trade are addressed.

3.3.4 Trade in Textile and Clothing

The proposals on the negotiations of trade in textile and clothing was an important step in making the trading regime consistent with its own stated goals of sharing the gains of market access for all members (Page, 2002). The northern countries proposed a phased liberalization for textiles and clothing. What this meant was that the gains from market access for developing countries were to be back loaded until ten years after signing the agreement. The proposal also focused on overall import shares of textile and clothing products rather than elimination of specific quotas, giving developed countries the freedom to selectively liberalize without violating the proposed agreement. In fact, it was possible to liberalize products in the first three tranches that were not even protected under the Multi Fibre Agreement (MFA). By reducing tariffs on

these products, developed countries conceded little in terms of market access to developing countries. Despite the objective of providing market access to developing countries, the proposal of the ATC retained clauses that protected domestic industries in developed countries, and could potentially restrict market access for at least nine years (Mendoza & Bahadur, 2002:11). Benefits from the ATC were therefore watered down and somehow unclear.

3.4. Developing Countries in the Negotiations

Developing countries were alarmed by the proposals made by their counterparts and leading to the Uruguay negotiations they decided to group themselves in coalitions to either block these issues from reaching the negotiations agenda or change the contents of the draft proposals altogether (Page, 2002:17). In addition the developing countries wanted a trade agenda that recognized their special needs and takes into consideration their position in the global economy.

3.4.1 Formation of Coalitions in the Negotiations

Amongst the first coalitions (to emerge) leading to/or, at the Uruguay Round was the Cairns group, the coalition comprised of a combination of developing as well as developed countries under the leadership of Australia and New Zealand. The group aimed to block/prevent the negotiations on agriculture till all agricultural subsidies are phased out in the developed countries. Although the final settlement on agricultural trade was negotiated between the EU and the US, the Cairns Group was sufficiently strong to block their first proposal (Page, 2002). However the long duration of the Round, compounded with the groups inexperience at negotiations eventually saw it giving away its position and agreeing to the proposals made by the US & EU on the sector.

On services, there was a move from a united developing country position to interest-based differences. The developing countries as a group under the auspices of the informal grouping on services initially opposed all inclusion of services in GATT (corresponding to the Indian and Brazilian interests of highly protected domestic sector), but as the Round progressed. This gave time for some countries to identify advantages, of cheap labor and no traditional, inefficient sectors. So, in the end the informal grouping on services (IGS) collapsed due to lack of coherence and coordination of efforts (Page, 2002). There was, therefore, no unified developing

country position for or against services after their initial position at the launch of the Round. In the end developed countries managed to pass and get developing countries to adopt the Service Agreement.

Other coalitions formed during the Round included the Food Importers Group (FIG) that served as a focal point for food importing countries. The Group wanted the EU and the US to eliminate export subsidies and put a halt to domestic support. The group also argued for complete liberalisation of the market in agriculture, textile and clothing. Just like any other coalition formed the group did not maintain its position nor make credible threats and in the end its proposals fell on deaf ears.

Last but not least there was also the Least Developed Countries group (LDC) formed mainly by those countries designated by the UN as least developed. The Group attempted to draw attention to the need of Special and Differential Treatment for developing countries and LDCs in agricultural negotiations as well as in other sectors (Ostry, 2000). The group wanted to make operational and effective special and differential treatment provisions by allowing developing countries to protect certain products from liberalisation on the basis of food security, sustainable livelihoods and development needs. Issues raised by this group saw only technical arrangements at the end of the round as opposed to operational agreements.

In the end all these coalitions formed by developing countries during the Uruguay Round were unsuccessful and failed to reach their intended objectives. The grand bargain reached at the end of the Round bears testimony to this (e.g. the adaptation of the Agricultural agreement, the TRIPS agreement, Service Agreement as well as many others), (Mendoza and Bahadur, 2002). Different explanations have over the years been advanced seeking to explain why these coalitions were so unsuccessful in Uruguay.

Figure (1) Table of developing countries coalitions' participation at Uruguay Round of trade negotiations (1986)

Coalition	Description of Issues	Countries
G10	Coalition of countries lobbying for agriculture to be treated as diverse and special because of non-trade concerns (not to be confused with the Group of Ten Central Bankers) Issues: Agriculture	members: Chinese Taipei, Iceland, Israel, Japan, Korea, Republic of, Liechtenstein, Mauritius, Norway, Switzerland
Cairns Group	Coalition of agricultural exporting nations lobbying for agricultural trade liberalization. The group comprises of a mixture of developing and developed countries which supported the abolishment of agricultural subsidies and shaped further trade negotiations. Issues: Agriculture	Argentina, Australia, Bolivia, Plurinational State of, Brazil, Canada, Chile, Colombia, Costa Rica, Guatemala, Indonesia, Malaysia, New Zealand, Pakistan, Paraguay, Peru, Philippines, South Africa, Thailand, Uruguay
Developing countries on services	Argued for the service sector to be protected and taken off the negotiation table at Uruguay Issues: Services	India, Brazil, , Indonesia, Malaysia, New Zealand, Pakistan, Paraguay, Peru, Philippines, Chinese Taipei, Iceland, Israel, Japan, Korea, Republic
Food Importers Group	Coalition of developing countries seeking greater market access for tropical products and food Issues: Agriculture	Bolivia, Plurinational State of, Colombia, Costa Rica, Ecuador, Guatemala, Nicaragua, Panama, Peru
Latin American Group		
MERCUSOR	Common Market of the Southern Cone, a customs union (Mercosul in Portuguese) Issues: General Nature: Customs union	Argentina, Brazil, Paraguay, Uruguay

Source: www.wto.org/english/thewto_e/mnist_e/min05_e/brief_e/brief25_e.htm. Accessed September 2012; Narlikar 2003. See Appendix I for an explanation of the coalitions' agendas and membership.

3.4.2 Coalitions Failure at Uruguay: A Postmortem of the Causes

The exact causes of coalition's failure at Uruguay are not so clear-cut. A constellation of literature has over the years emerged seeking to make sense of this phenomenon. A simplistic account is that of inexperienced. In terms of this account developing countries coalitions failed

because they were first time participants in the negotiations, therefore (inexperienced) meaning unable to articulate their positions in a coherent manner and bargain as a collective. This explanation is too simplistic for a scientific inquiry of this magnitude.

To fully understand why developing countries coalitions failed in Uruguay, Peter Draho's tool of analyses "The sources of bargaining power in trade negotiations" would be used as an explanatory variable.

Draho's Sources of Bargaining Power

In terms of Draho's (2003:82-5) trade negotiations take place in a milieu characterized by rules and regulations, equity and equality, whereby sovereign states are not the only actors, but negotiations involve a vast array of actors ranging from corporations (Multinationals and transnational's corporations), Non-Governmental Organizations (NGOs), interest groups, local authorities and provincial administration. All of them advocate their interests and seek to have an impact not only on the outcome of international negotiations, but also on how international negotiations are conducted. Therefore being weak or strong in such an environment does not advantage or disadvantage any party, as decisions are usually taken by consensus after compromises e.g. the one vote one state policy of the WTO and decision by consensus captures the environment which Drahos refers to.

For Drahos, (2003:82) what really matters the most in such negotiations is bargaining power. Defined as the ability of actors in a situation to exert influence over each other to the cost of not reaching an agreement for the other actor or strike a deal that best caters for either party's interest. In most cases bargaining power is expressed as the ratio of a party's ability to influence other parties for its own individual advantage or for the disadvantage of others.

Drahos (2003) identifies market power, a network of commercial intelligence, enrollment power and institutional arrangements as the major sources of bargaining power in multilateral negotiations. Evidence suggests that those nations like the USA, China, Britain together with many others, that has either one or a combination of all sources tend to bargain more efficiently and effectively, this making the outcome of most trade negotiations to be in their favor. The same applies to coalitions.

Market power

Market Power is regarded as the relative strength of a country's economy, its GDP per capita, market growth and manufacturing capabilities. It is accepted by numerous economist that a state's share of market power meaning a state's control over a large domestic market which other countries want access to or depend upon internationally in terms of trade, financial assistance and/or loans is in a position to make credible threats. The capacity to make credible threats is thus a powerful tool in any international trade negotiations (Drahos, 2003).

The threat might be carried out in different forms, firstly a powerful state like the US, may threaten weaker states (West African cotton producers) C4 countries in this instance, that if they continue to defy its decisions or fails to behave in ways the US dictate, their access to the American market would be suspended and America would further tighten its tariffs on cottons shipped from this cotton producing countries. Due to their dependence on the American market C4 countries would have no choice but to give in to American request or face dire consequences

The fact that the majority of coalitions formed by developing countries during the Uruguay round where amongst states that relatively have weak markets, which are either collapsing or at the verge of doing so.

Meant that the market power of the coalition's forming states where either nil or (non-existence) as a consequence they could not rely on their markets to make credibly threats. As reiterated above the ability to make credible threats forms the basis of any country/groupings success in the negotiations. It is therefore appropriate to argue that coalitions formed by developing countries in Uruguay failed because of the weakness of their markets and inability to make credible threats at the negotiations.

Networks of Commercial Intelligence

Network of commercial intelligence-described as a web of information collecting mechanism that gathers, distribute and analyze data relating to a state's trade, economic and business performances as well as collecting similar information about other states is essential for a group/country's success in the negotiations. It is assumed by Drahos (2003:82-83) that nations/coalitions with a more integrated network of information sharing, analysis and distribution linking different sectors of the economy are more effective in trade negotiations, by

comparison to those that lack a commercial network of intelligence. The general view is that countries with effective intelligence mechanisms in place are likely to gather interpret and disseminate information more quickly. Moreover they can also gather knowledge regarding their adversary's capabilities thus putting them at an advantage when it comes to negotiations because they know what they want and how to get it. The lack of such an integrated information sharing system on the part of developing countries coalitions led to their demise or failure at Uruguay, simply because they had no idea of what they wanted and how to get it.

Enrollment Power

Apart from the lack of market power and a network of commercial intelligence, the lack of enrolment power- or the ability to rally different interest groups, organizations or even businesses behind a particular course contributed to coalition failures at Uruguay. (Draho, 2003:83) maintains that since international trade negotiations include a vast array of actors, both states and non-states, NGOs and multinationals this simply means that nations and/or groupings which are able to bring together different these different segments (interest groups, Multinationals and Non-governmental organizations) united over a common cause gain momentum and leverage over others, thus increasing their bargaining capacity and ensuring their success in the negotiations outcomes. The inability of developing countries coalitions to exercise this sort of power (enrolment power) at Uruguay had die consequences and ultimately caused their failures.

Apart from the above explanations derived from Draho's analysis of trade negotiations. Other scholars attribute the causes of coalition failure in Uruguay on technical issues (such as lack of resources on the part of members, expertise and lobbying groups. etc.) and institutional deficiencies

For some side bargaining's and bilateral agreements offered by the quad group mainly the US & EU is to blame. This group of scholars maintains that the enticement/offering of bilateral agreements behind green rooms served as a strategy to separate member states from their groupings. It is alleged that during Uruguay both the US and EU offered certain members bilateral agreements or tariff cuts especially small and vulnerable members particularly on services and agricultural negotiations in exchange of their support and abandoning their

coalitions position. This explains the failure of both the Cairns Group and the Informal Group on services at the negotiations.

The lack of leadership in coalitions is also identified as a cause of their failure. Narlikar and Tussie (2004), maintain that Brazil and India attempted to provide the leadership role in coalition building and framing of positions. But as negotiations progressed their national interest often saw them abandoning the group's positions in favor of their own. This leaving the coalition's leaderless and consequently less focused on strategic goals and objectives. The price was far reaching ultimately collapse of the grouping.

3.5 Coalitions resilience Post Uruguay

Despite their identified failures and perceived weaknesses developing countries coalitions are still visible in trade negotiations and gaining prominence than ever before (Patel, 2007). A consensus is beginning to emerge since the end of the Cancun ministerial conference that these coalitions by developing countries are now highly formalized, well positioned and visible to respond to the pressures of multilateral negotiations. Others are even optimistic that these coalitions are beginning to shape the discourse in negotiation rooms (green rooms), whereas for some these coalitions are the main sources of deadlocks observed in the international trading system to date.

The question remains what then has changed in this coalitions and what has ushered the change. This question as well as many others regarding these epistemic communities will be addressed in the proceeding chapter (chapter 4).

3.6. Conclusion

In conclusion, this chapter has effectively touched based with the milieu of multilateral trade negotiations and effectively illustrated how trade negotiations are conducted. The discussion of GATT rules particularly the Most Favored Nation principle (MFN), Reciprocity and Non-discrimination has served as a tool to demonstrate how the negotiation environment is shaped. A case study of the Uruguay Round of trade negotiations and coalitions at play during the negotiations showed the many weaknesses that often confront developing countries coalitions as they attempt to negotiate better terms of trade with their developed counterparts.

The chapter has also discussed the many reasons why developing countries coalitions failed in Uruguay and what caused the failure. Amongst others the chapter has also identified an important element in coalition formation and resilience. An acknowledgement has been made in the chapter that since the end of the Uruguay round there has been a change in coalition formation by developing countries, as epitomized by the behaviors of these coalitions since the ministerial conference on trade held in Cancun. The exact causes of this change were not discussed in the chapter. However they will be discussed in chapter 4 together with the consequences of their changing behavior in chapter 5.

Chapter: 04

Causes of Coalition Evolution in Trade Multilateralism: Towards a Synthesis of Approaches the Leadership Factor

4.1. Introduction

This chapter attempt to (study) the changing nature of developing countries coalitions in multilateral trade negotiations. By delving into numerous factors believed to have caused the changes. Amongst others this chapter endeavors to locate the rise of new powers in IR and use this as an explanatory factor. To explain the evolutionary process and/or the changes observed in coalitions. The Transformational leadership theory would be applied extensively throughout the chapter to explain coalition evolution. The post 1995 ministerial conferences on trade (the Seattle & Cancun Ministerial conferences) would be used as case studies to demonstrate coalition changes and its related causes.

4.2. Understanding Coalition change or Evolution: Setting the Context

A study of developing countries coalitions in the multilateral trading system pre and post the Uruguay Round delineates that developing countries have over the past formed weak coalitions. Which were unable to bargain effectively in trade negotiations (Patel, 2004). These coalitions either collapsed or succumb (gave in) to the pressures imposed by their rivalries; as a consequence they failed to achieve their intended objectives. A case study of coalition bargaining in Uruguay discussed in the preceding chapters (chapter 3) bears testimonial to this argument.

It became apparent after Uruguay that the coalitions formed amongst countries of the South are weak, non-coherent groupings incapable of setting or maintaining their positions in trade negotiations (Patel, 2008). Therefore they are a constellation of countries having an ambition of reforming the trade regime, without the political clout, resources or capacity to do so. This orthodox view of coalitions went unchallenged for years.

However since the launch of both the Seattle ministerial conference on trade (1999) and the Cancun ministerial (2003), there has been a radical shift in perceptions. A more favorable perception of coalitions is emerging and fast gaining popularity in the scholarly community.

Academics and policy practitioners alike are beginning to view developing countries coalitions in a different light.

New literature on coalitions especially the literature advanced by Narlikar, Hurrell, Odenel, Tussie and Patel to mention only a few. View coalitions of the post 1995 era as different from their predecessor in many ways. Recent coalitions are yield as being more institutionalized, organized and well coordinated to respond to the highly complex environment of trade negotiations. These coalitions now play a more prominent and publicly visible role in the negotiations than ever before. Coalitions issue declarations, hold press conferences and engage in media campaigns. Some have gone as far as barricading the negotiations, while others have been instrumental in placing new issues on the agenda (Patel, 2008). These behaviors by developing countries coalitions are unprecedented and coalition evolutions in the multilateral trading system need to be understood in this context or along these lines.

4.3. Coalitions at Seattle Ministerial 1999

The changes in developing countries coalitions were first observed in the Seattle ministerial Conference held in 1999 USA Seattle. The conference was launch to discuss a way forward in the multilateral trading system, address outstanding Singapore issues (e.g. issues of government procurement, competition policy, investments etc.) most importantly the conference was convened to launch a new round of trade negotiations. Leading to the ministerial meetings in Seattle numerous trade issues were left unattended particularly issues coming from the Uruguay agreements and the related impacts of the agreements on developing countries.

At Seattle developed countries wanted to expand the trading scope by introducing new agreements on the trade agenda. Their underdeveloped counterparts on the other hand were adamant that new issues cannot be introduced in the agenda. Until outstanding matters arising from the Uruguay agreements are effectively addressed. By this developing countries maintained that they cannot enter into any new agreements proposed by the developed world. Until a commitment/an undertaking is made by first world countries to correct the trade imbalances created by the Uruguay agreements (e.g. agreements on patent, services and agriculture) and ensure that third world countries also ripe the benefits of trade liberalization.

Such opposing views at Seattle served as the dividing lines between the rivalries (developing vs. developed countries) and were the main cause of the stalemate at the conference.

The effectiveness of developing countries to block their counterparts from introducing new issues on the negotiation agenda was unprecedented. So was their ability to compel developed countries to agree to a new round of trade negotiation (the Doha development 'agenda). A round that would seek to address development issues in the third world. Such achievements by developing countries demonstrated a new form of diplomacy by Southern countries in trade negotiations (Singh, 2006). Diplomacy never observed before and reaffirmed the position of developing countries in the trade system.

Narlikar and Tussie (2004), argues that developing countries were able to achieve this simply because of the manner they were able to arrange themselves in the different coalitions they formed and the strategies they applied to accomplish their objectives.

Coalitions formed during the Seattle conference are a direct contrast to those formed at Uruguay:

1. This coalitions where more effective in achieving their objectives, they utilised their strength in numbers to make credible threats and get their negotiating partners to take their issues serious.
2. They knew what they wanted out of the negotiations and how to get it
3. They made solid proposals backed by evidence and research
4. They were very cognizant and understood the negotiation milieu this decreased their vulnerability to manipulation by the quad group
5. These coalitions were united than ever before and shared a common interest in seeking redress for the injustices in the system. Thus minimising the repeats of Uruguay

These common characteristics observed in coalitions at Seattle gave the coalitions the leverage to bargain effectively and reach greater heights in the negotiations that ever before. This demonstrating a distinctiveness or change from those coalitions formed in Uruguay.

Coalitions like the LMG at Seattle managed to block the inclusion of Singapore issues on the trade agenda, whereas coalitions such as the Small and Vulnerable Economies (SVE) managed to hold its ground till the final stages of the conference. All this showing a radical departure from coalitions of the 1980s, which often collapsed before the endgame in the negotiations, this paving the way for developed countries to dictate the discourse of trade rules and tailor-make the rules to cater for their own interest.

A change in developing countries coalitions was also evident at the Cancun ministerial conference held in 2003 Mexico, discussed below.

Figure 2 Table of developing countries coalitions at Seattle Ministerial Conference (1999)

Coalition	Description of Issues	Member States
Like Minded Group (LMG)	Initially formed in opposition to the ‘Singapore Issues’ but then evolved to focus on implementation issues, development issues and systemic reform.	Cuba, Dominican Republic, Egypt, Honduras, India, Indonesia, Kenya, Malaysia, Pakistan, Sri Lanka, Tanzania, Uganda and Zimbabwe, with Jamaica and Mauritius as observers
Small, vulnerable economies (SVEs)	This list is based on sponsors of proposals. See also: list in Annex I of the 10 July 2008 revised draft agriculture modalities, and footnote 9 (paragraph 65) and paragraph 151. Issues: Agriculture	Barbados, Bolivia, Plurinational State of, Cuba, Dominican Republic, El Salvador, Fiji, Guatemala, Honduras, Maldives, Mauritius, Mongolia, Nicaragua, Papua New Guinea, Paraguay, Trinidad and Tobago
Africa Group	African members of the WTO Issues: General Nature: Regional	Angola, Benin, Botswana, Burkina Faso, Burundi, Côte d’Ivoire, Cameroon, Cape Verde, Central African Republic, Chad, Congo, Djibouti, Egypt, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Madagascar, Malawi, Mali, Mauritania, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, South Africa, Swaziland, Tanzania, Togo, Tunisia, Uganda, Zambia, Zimbabwe

Source: http://www.wto.org/english/res_e/booksp_e/anrep_e/world_trade_report12_e.pdf Accessed, September 2012; See Appendix I for an explanation of the coalitions’ agendas and membership

4.4. Coalitions at Cancun Ministerial 2003: The G20 and the Rest

Cancun as well was a watershed in the evolution or changing nature of developing countries coalitions'. It was at Cancun that some of the successful developing countries coalitions in the 21st century emerged the G20, IBSA, NAMA11, the G90, Africa Group and many others made their debut at the Cancun ministerial conference (Narlikar and Tissie, 2004:951).

As the Fifth Ministerial Conference approached in Cancun, there had been no progress since the collapse of the Seattle meeting and the developmental agenda of the Doha round was lacking far behind. Cancun was thus determined by four areas of dispute: agriculture, position of cotton, strategic products and special safeguard mechanisms. Of all these, agriculture appeared to be the key to the success or failure of the conference (Symthe, 2004).

Leading to the conference the EU and US jointly tabled a proposed text on agricultural trade. The two sought, essentially to consolidate their historically protectionist stances on the sector by offering only limited concessions to agricultural exporters elsewhere and a continuation of trade distortion practices to their farmers (Narlikar and Tissie, 2004). This was a reversal of the promises made in Doha, and this was in clear contrast to the rhetoric of a 'developmental round' that was to be pro-poor in orientation. Developing countries were once again feeling cheated, and alarmed. Cancun presented a platform to assert themselves and to show their dissatisfaction.

What is of significance about Cancun is the response of developing countries coalitions to the proposals made by the quad group. The coalitions at Cancun showed a much more active Southern participation. The G20 in particular presented a new exemplar of the proactive diplomacy of the emerging powers, especially with Brazil, China, South Africa and India at its helm. The coalition constituted a major weight in economic terms, especially as it contained 69 per cent of the world's farmers. As such, it presented a credible threat to block consensus at the negotiations (Narlikar and Tissie, 2004). It also possessed some moral weight, which it exercised to its great credit, by emphasising that it represented the interests of over half of the world's population. Unlike some of the older coalitions involving developing countries, the G20 did not have a blocking agenda but a proactive one, which was typified in its technically substantive proposals and strategies it used.

The coalition drafted an alternative text to that introduced by the US and EU. The draft of the G-20 took a positive line and called for a significant reduction in the domestic support for farmers provided by the big industrialised countries and a complete phase out of trade distortions (subsidies, tax holidays etc.) in agricultural products.

Brazil and India drafted the first text together and then collaborated with other countries that were to later join the group. With China on board, the group became one that combined (arguably) all the emerging powers from the developing world. This coalition was particularly important, as this was the first coalition of note in which China participated in since its accession to the WTO (Narlikar and Tussie, 2004). Not only was China a participating member, but also a founding member of the G-20. One of the important features of the G-20 proposals was that the coalition went beyond being a blocking coalition, but one that set forth concrete proposals.

Narlikar and Tussie call the G-20 agenda a proactive one, as opposed to a blocking agenda. It appears that the G-20 stood out quite significantly from previous WTO developing country coalitions; and most observers have attributed the group's success to its unique and innovative character.

For analysts of coalitions and trade negotiations, the G20 presents a fascinating puzzle. The G20 is important, not simply because it comprised such a major mass of the developing world, but because it brought together some extremely unlikely candidates. It combined some of the largest and most powerful members of the developing world with some of the smallest members. It made it very difficult for developed countries to ignore a coalition of this magnitude (Symthe, 2004). A coalition that constituted over two-thirds of the world's population, comprised over 60 per cent of the world's farmers, and was led by a powerful core of emerging powers (particularly Argentina, Brazil, China, India and South Africa).

This coalition represents a landmark and an example in the history of coalition formations. It represented a unified and credible threat to block proposals made by the quad group. The coalition was also able to make credible threats and significantly ensure that it maintains the proposals of the group till the final stages of the negotiations, in essence ensuring that its proposals are noted. Also noteworthy is the fact that for the first time in trade multilateralism a

coalition that combined emerged G90 that combined a quarter of the world's population and some of the power full states from the developing world

Such a pro-active coalition of developing countries has never been observed before in the multilateral trade system till Cancun. In so doing the G20 together with many other coalitions formed leading to and during the Cancun ministerial, clearly shows that there is some degree of change or evolution in the manner developing countries coalitions behave and/or are formed. To this end the next section seeks to analyze the various factors which are believed to have caused the changes observed in coalitions. To put it bluntly the next part attempt to explain why developing countries coalitions has evolved.

Figure 3: Some of the instrumental Developing countries coalitions at Cancun Ministerial conference on trade (2003)

Coalition	Description of Issues	Member States
ACP	<p>African, Caribbean and Pacific countries with preferences in the EU</p> <p>Issues: seek Agricultural preferences and market access to the EU market in particular</p>	<p>WTO members (58): Angola, Antigua and Barbuda, Barbados, Belize, Benin, Botswana, Burkina Faso, Burundi, Côte d'Ivoire, Cameroon, Cape Verde, Central African Republic, Chad, Congo, Cuba, Democratic Republic of the Congo, Djibouti, Dominica, Dominican Republic, Fiji, Gabon, Gambia, Ghana, Grenada, Guinea, Guinea-Bissau, Guyana, Haiti, Jamaica, Kenya, Lesotho, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mozambique, Namibia, Niger, Nigeria, Papua New Guinea, Rwanda, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Senegal, Sierra Leone, Solomon Islands, South Africa, Suriname, Swaziland, Tanzania, Togo, Tonga, Trinidad and Tobago, Uganda, Zambia, Zimbabwe</p> <p>WTO observers (10): Bahamas, Comoros, Equatorial Guinea, Ethiopia, Liberia, Samoa, Sao Tomé and Principe, Seychelles, Sudan, Vanuatu</p>

		Not WTO members or observers (11): Cook Islands, Eritrea, Kiribati, Marshall Islands, Micronesia, Federated States of, Nauru, Niue, Palau, Somalia, Timor-Leste, Tuvalu
G90	African Group + ACP + least-developed countries Issues: General,,,, negotiate a wide spectrum of issues from agricultural trade, services, intellectual property, market access etc.	WTO members (65): Angola, Antigua and Barbuda, Bangladesh, Barbados, Belize, Benin, Botswana, Burkina Faso, Burundi, Côte d'Ivoire, Cambodia, Cameroon, Cape Verde, Central African Republic, Chad, Congo, Cuba, Democratic Republic of the Congo, Djibouti, Dominica, Dominican Republic, Egypt, Fiji, Gabon, Gambia, Ghana, Grenada, Guinea, Guinea-Bissau, Guyana, Haiti, Jamaica, Kenya, Lesotho, Madagascar, Malawi, Maldives, Mali, Mauritania, Mauritius, Morocco, Mozambique, Myanmar, Namibia, Nepal, Niger, Nigeria, Papua New Guinea, Rwanda, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Senegal, Sierra Leone, Solomon Islands, South Africa, Suriname, Swaziland, Tanzania, Togo, Trinidad and Tobago, Tunisia, Uganda, Zambia, Zimbabwe WTO observers (14): Afghanistan, Bahamas, Bhutan, Comoros, Equatorial Guinea, Ethiopia, Lao People's Democratic Republic, Liberia, Samoa, Sao Tomé and Príncipe, Seychelles, Sudan, Vanuatu, Yemen Not WTO members or observers (11): Cook Islands, Eritrea, Kiribati, Marshall Islands, Micronesia, Federated States of, Nauru, Niue, Palau, Somalia, Timor-Leste, Tuvalu
Least Developed Country	Least developed countries: the world's poorest countries. The WTO uses the UN list	WTO members (31): Angola, Bangladesh, Benin, Burkina Faso, Burundi, Cambodia,

Group (LCD)	Issues: Argue mostly on General issues and require special and differential trade preferences	Central African Republic, Chad, Democratic Republic of the Congo, Djibouti, Gambia, Guinea, Guinea-Bissau, Haiti, Lesotho, Madagascar, Malawi, Mali, Mauritania, Mozambique, Myanmar, Nepal, Niger, Rwanda, Senegal, Sierra Leone, Solomon Islands, Tanzania, Togo, Uganda, Zambia WTO observers (12): Afghanistan, Bhutan, Comoros, Equatorial Guinea, Ethiopia, Lao People's Democratic Republic, Liberia, Samoa, Sao Tomé and Príncipe, Sudan, Vanuatu, Yemen Not WTO members or observers (5): Eritrea, Kiribati, Somalia, Timor-Leste, Tuvalu
G20	Coalition of developing countries pressing for ambitious reforms of agriculture in developed countries with some flexibility for developing countries (not to be confused with the G-20 group of finance ministers and central bank governors, and its recent summit meetings) Issues: Agriculture	WTO members (23): Argentina, Bolivia, Plurinational State of, Brazil, Chile, China, Cuba, Ecuador, Egypt, Guatemala, India, Indonesia, Mexico, Nigeria, Pakistan, Paraguay, Peru, Philippines, South Africa, Tanzania, Thailand, Uruguay, Venezuela, Bolivarian Republic of, Zimbabwe

Source: compiled from WTO documents and materials (available [www.wto.org](http://search.wto.org/search?as_site=www.wto.org/english/tratop_e/agric_e&access=p&entqr=0&output=xml_no_dtd&sort=date%3AD%3AL%3Ad1&ie=ISO-8859-1&client=english_frontend&q=coalitions&numgm=5&ud=1&site=English_website&oe=ISO-8859-1&proxystylesheet=english_frontend&ip=41.168.3.68&proxyreload=1)), http://search.wto.org/search?as_site=www.wto.org/english/tratop_e/agric_e&access=p&entqr=0&output=xml_no_dtd&sort=date%3AD%3AL%3Ad1&ie=ISO-8859-1&client=english_frontend&q=coalitions&numgm=5&ud=1&site=English_website&oe=ISO-8859-1&proxystylesheet=english_frontend&ip=41.168.3.68&proxyreload=1. Accessed September 2012; See Appendix I for an explanation of the coalitions' agendas and membership.

4.5. Contending Explanations of Coalition Evolution

Dominant literature seeking to explain coalition evolution in the multilateral trading system tends to focus on various factors: Namely

- (1) On the nitty-gritty of Social learning
- (2) The Broadening of scope in multilateral trade negotiations or Inclusion of new issues on the negotiation agenda

- (3) The increase in representation by developing countries in the WTO
- (4) The raise in regionalism in the third world and desire for free trade advancements
- (5) last but not least the literature also looks into the role played by middle powers or emerging power centres in the global political economy

The above mentioned factors constitute the body of existing knowledge seeking to explain coalition evolution in the WTO and its related causes.

4.5.1 Social Learning

As already noted above one of the leading scholars seeking to explain coalition evolution in the trading system is Armita Narlikar. Narlikar maintain that coalition evolution in the multilateral trading system need to be understood as a product of social learning and adaptation.¹² Narlikar maintains that two decades of coalition formation by developing countries in the WTO, have equipped these countries with the necessary experience to enable them to forge stronger alliances moving forward, hence the coalitions of today are hailed as been more effective than their predecessor.

Narlikar point to the history of coalitions as a turning point in their evolution, by arguing that over the past two decades, coalitions formed by developing countries where either classified as being: bloc type coalitions or alliance type coalitions. The two may be seen as representing the opposite ends of a spectrum. There are two key differences between the bloc type coalitions and issue-based alliances. First, the former come together by employing identity-related methods of formation and are usually formed by countries that share certain features in common this may either be geographic location, weak economy or occupy similar status in the international system. Whereas the latter are formed for instrumental reasons and come together for a specific purpose. Second, the bloc-type coalitions combine like-minded states and try to adopt collective positions across issue areas and over time these culminate in weakness; in contrast, issue-based coalitions are directed towards specific threats/issues and dissipate after the particular issue has been addressed.

¹² Narlikar, A, and Tussie, D. "The G20 at the Cancun Ministerial: Developing Countries and their Evolving Coalitions in the WTO" in the *Journal of World Economy*, Vol.27, Iss.7, July 2004

While bloc-type coalitions dominated Third World diplomacy until the early 1980s, issue-based coalitions came into vogue in the Uruguay Round (partly as a reaction to the failures of bloc-type diplomacy). The coalitions of today, including the G20, C4 cotton producers, ESIANA, the group, Small & Vulnerable Economies group and the G90 have learnt from the failures of their predecessors and have begun to utilize some elements of both the bloc-type coalitions and issue-based alliances to build on. by so doing developing countries have now evolved a new coalition type which is stronger and utilize both block-type strategies and combine this with Issue based ones.¹³ for Narlikar the evolution in coalition formation came about as a result of nothing else but social learning, meaning the coalitions observed today have learnt a great deal of lessons from their predecessors and have devised strategies to overcome the challenges that previously crippled them.

4.5.2 The Raise of Regionalism/Regional Trade Blocks

Apart from Narlikar, (Jerome Prieur and Omar Serrano) argue that the changes observed in coalition bargaining (formation) today can be explained in terms of the raise of new regionalism in the south. Prieur and Serrano argue that since the end of the cold war in 1989 there has been a proliferation of regional groupings or regional integration in the south. Many countries are becoming more integrated interlinked and interdependent than ever before. As a result these countries are beginning to speak with one voice in multilateral foras and strive for a common goal.

Moreover in terms of Jerome Prieur and Omar Serrano this raise in regionalism has led to a race amongst states in different regions, whereby certain countries are beginning to position themselves as regional hubs, by doing so such countries attempt to shed the burdens of their regions by acting as leaders of their regions advocating for the regions concerns to be articulated and addressed by actors in the international community. Similar to Prieur and Serrano, Hurrell identifies countries like South Africa, Nigeria and Egypt in Africa, together with Brazil and Argentina in Latin America as such countries promoting their regions agenda in the international

¹³ Narlikar, A, and Odell, S, J “The Strict Distributive Strategy for a Bargaining Coalition: The Like-Minded Group in the World Trade Organisation” in Odell, S, J (eds): Negotiating Trade Developing Countries in the WTO and NAFTA, Cambridge, Cambridge University Press 2006

community and organizing other countries in their regions to strive for the same ideal. As a result this has caused a change in the manner the south used to do things including the coalitions they formed, hence the coalitions that exist today in the WTO are said to have undergone some changes/evolved as compared to their early version.

4.5.3 Inclusion of New Issues on the Trade Agenda

An alternative explanation provided by scholars like Bhagirathi and Bhangwati is that of Broadening of scope in the multilateral negotiations or the inclusion of new issues in the trade agenda. Bhagirathi and Bhangwati both writing in different books and journals have argued that the inclusion of new issues in the trade agenda, issues like government procurement, competition policy, investments and trade policies has led to an awakening in the third world.

These awakening have made countries of the third world to realize that if they remain silent on the issues or continue to pursue divergent goals in trade negotiations further marginalization by the North would result. And as a consequence they would continue to gain very little from international trade. To counter balance this phenomenon and ensure that their issues are taken into account developing countries have remind firm in their stance, formed strong alliances and most importantly committed themselves to a common goal. The way developing countries reacted to the inclusion of new issues (Singapore issues) at Seattle and Cancun reaffirms this hypothesis, provided by Bhagirathi and Bhangwati

4.5.4 Emerging Powers in the Global Economy

for some like Peter Draper, Andrew Hurrell, Garth Le Pere and Gregory Chin to mention only a few. Argued that the raise of new powers in international relations e.g. countries like Brazil, China, India and South Africa to a lesser extend have affected traditional patterns of power balance in international trade and have moved the world from a uni-polar to a multi-polar system.¹⁴ Therefore the continued involvement of these emerging powers countries in coalition

¹⁴ Hurrell, A and Narlikar, "A New Politics of Confrontation? Developing Countries at Cancun and beyond", mimeo (Oxford/Cambridge), 2005

formation by the south has led to a more robust, well organized, coordinated and powerful coalition. This power centres are for Hurrel the main reasons why coalitions formed by developing countries in the WTO have evolved.

This research report draws mainly from the argument by Draper, Hurrel, Garth Le Pere and to a lesser extend Sally to demonstrate that even though other factors like social learning, the inclusion of new issues on the trade agenda and the raise in regionalism has had an important impact on coalition evolution .the evolution of coalitions in the WTO need to be seen as a result of a raise in new powers and the leadership role which these new middle powers provide in holding different coalitions together. The study is of the hypothesis that the lack of transformative leadership in first generation coalition formation is the main reason for these generations demise whereas the presence of leadership in second generation coalition is one of the reasons why this generation is succeeding. Thus the evolution of coalition formation within the multilateral trading system also needs to be understood in these terms.

4.6. Leadership as an Explanatory Factor for Coalition Evolution

What is important and significant to this research is the centrality of leadership in coalition evolution never explored before. Withstanding the above mentioned causes of coalition evolution. Leadership is central to understanding the other causes of coalition evolution, because it constituted an important element that lacked in Uruguay.

In the following paragraphs I shall attempt to reveal that developing countries coalitions have evolved simply because of the leadership factor (transformative leadership) for that matter. I shall attempt to reveal through careful observation of coalition leaders. In three cases, the case of: (India in the LMG), (South Africa in the NAMA11 group), and (Brazil in the G20), that these coalitions have changed because of the leadership provided by these countries.

Finally I will study the leadership provided by all three countries including china in the G20 to demonstrate that without the transformative leadership role provided by these countries in the

G20, the coalition would not have been a success. Therefore leadership is the main cause of developing countries' coalitions' evolution in the multilateral trading system especially the leadership provided by emerging/raising powers.

4.6.1. Brazil's Leadership on Various Coalitions in the WTO

The last 20 years have witnessed the economic emergence of several countries, which are considered today to be “pivotal states”, “regional powers”, “emerging powers”, “rising powers” and leaders of the third world in world politics. These rising powers encompass countries such as China, India, Brazil and Russia, (collectively known as the BRICs countries), and this countries includes South Africa to some extent (Schrim, 2009:01). What these countries have in common is that they all have experienced rapid economic growth over the years and that they seek to influence the global economy and world politics to a greater degree than they did before their rise. These countries articulate a wish to change the distribution of power in the international system and to assume leadership roles in global governance.

Brazil has featured prominently among the emerging powers, on both the regional and the global level. Globally, Brazil has articulated its aspiration for influence especially through the bid for a permanent seat in the UNSC and through closer ties with other emerging powers such as India and South Africa through the (IBSA) forum and China. Regionally Brazil has tried to strengthen its power base through Mercosur in the 1990s and through the creation of the Union of South American Nations (UNASUR) more recently. Brazil has been articulating a more nationalist and anti-Western foreign policy since the accession to power by President Luis Inacio Lula da Silva combining fiscal prudence (and reaching investment grade in 2008!) with assertiveness in trade talks and anti-status quo stances regarding the distribution of power in international organizations (such as the IMF and the UNSC) (Symthe, 2004:02).

This goal has been followed, for example, by challenging and partly substituting established global governance fora with new South-South initiatives (such as the G20 and IBSA) and by trying to integrate South America without considering the participation of either the US or even Mexico. Throughout the past century, Brazilian leaders from most different political camps such

as the Presidents Getulio Vargas and Goulard, the Generals Golbery Couto e Silva, Medici, Figueiredo and now President Lula have been articulating a dependencia-style discourse which attributes the reasons for Brazil's backwardness largely to the world market and to the influence of the industrialized countries (Symthe, 2004:2-6). This "terceiromundista"-discourse consequently advocates distancing from the West and closer cooperation with other developing countries.

Under the left wing government of Luiz Inácio "Lula" da Silva, Brazil has made a far-reaching turn in its foreign trade policy. Since 2003, the government has started active coalition building both within the WTO as well as on a regional scale: Firstly, Brazil has created several negotiation groups inside of the WTO. It is playing a *leadership* role in the G-20, NAMA-11 and the G-110 (Schamalz, 2009:2). The "Lula" administration is also focusing on alternative south-south coalitions outside the WTO, with the new India-Brazil-South Africa Dialogue Forum (IBSA). Secondly, Brazil has begun to oppose the US project of a Free Trade Area of the Americas (FTAA). Together with Venezuela and Argentina the country has blocked further negotiations.

Within the WTO, Brazil has played a crucial role in establishing coalitions of developing countries such as the G-20. The country has positioned itself as a leader for other third world countries. Brazil continuously engages in and encourages the emergence of a stronger southern block to counteract the initiatives of the Developed world in trade negotiations. Its leadership role comes from its impressing stance on anti-imperialistic tendencies and appeal for moral justice. The country has since the administration of lucio da silava devoted most of its attention and market power towards reforms in the WTO. These selfless efforts have in recent times seen Brazil emerge as a champion of the developing world in trade negotiations pushing for greater south- south cooperation and solidarity (Schamalz, 2009:2-9).

This leadership effort by Brazil has seen the emergence of a stronger coalition in the developing camp capable of making credible threats in trade negotiations. The leadership role that Brazil provides in coalition research and preparations of negotiations positions has seen the developing world remain firm in their position and thus improving their bargaining power. Brazils rise as a

middle power and its desire at taking a leadership role for the third world has revolutionised third world diplomacy and altered developing countries coalition behaviour in the WTO.

The recent prominence and success of most developing countries coalitions in the multilateral trade system can be attributed to Brazil's leadership. The rise of the G20 in particular was due to Brazil's leadership and firm stance on agricultural trade. The leadership of the country in coalition bargaining all point to a singular direction and serve to prove the hypothesis that leadership is a strong explanatory factor for coalition evolution. Brazil is not the only self-proclaimed leader of the third world (India, China and South Africa) have also positioned themselves as leaders of the third world and below the research looks into their leadership on various coalitions.

4.6.2. India's Leadership in the Like Minded Group

India's role in the WTO was of specific importance previously, in the seventies, India was traditionally regarded as the spokespersons of the developing world in international organizations like the UNCTAD or the GATT (Draper & Sally 2005: 4). Within the UNCTAD and the GATT India pushed for technology transfer and additional requirements for foreign investment. However, after the debt crisis in 1982 most developing countries became more susceptible to the guidelines of the industrial countries and the countries role slowly diminished (Cohn 2002: 153ff). In recent years however India has reaffirmed its position in third world diplomacy and its middle power status in world politics has solidified this role.

Since the post 1995 era, the country has been prioritising the cultivation of strong allies from the developing world such as Brazil and China, together with showing a commitment to South-south cooperation. To foremost achieve its industrialisation endeavours. Throughout the negotiations in the WTO, India put its business interests first; by pushing for decreased agrarian subsidies in the US and the EU as well as beginning to oppose further liberalizations in several sensitive areas, such as industrial goods and investment flows, in order to save jobs and protect non-competitive industrial sectors. The country also prioritised and push for the same ideals in other developing countries (Gupta, 2004).

To date India has been instrumental in providing leadership in numerous bargaining coalitions at the WTO. Its leadership role is mostly visible in the Like Minded Group, the G20 and other strong coalitions of the third world G90 etc. since 1996 India has been very vocal on the Singapore issues and managed to convince other like-minded countries to block the inclusion of these issues on the negotiation agenda (Gupta, 2004). The leadership of India is visible in its foreign policy goals and prioritisation of south-south cooperation. The country's economic upper-hand (might) and vast market, makes it a strong force to be reckoned with. India has in recent times used this newly gained middle power status and technological knowhow to provide strong leadership for other southern countries. The spill over effects of this power has manifested itself in the manner the country behaves in the WTO.

In the multilateral trading system India has been working very closely with other developing countries through numerous coalitions to push for a reform of the system and better terms of trade in North-South relations. The country undertakes research, mobilises resources and in most instances tends to represent other countries in trade negotiations (Schrim, 2007). Because of its status and economic power a wealth of market intelligence the country is able to make credible threats and thus compensate for the sources of bargaining power which most developing countries lack. In essence the leadership role of India has served to change the behaviours of developing countries coalitions in so doing contributing and/or causing their evolution.

4.6.3. South Africa and the NAMA11

Similar to India and Brazil, the South African government has since 1994 articulated an ambitious foreign policy of third world-ism and a desire to assume leadership roles in multilateral institutions pushing the South-South agenda. South Africa under president Mbeki (1999-2007) has committed its self to play a more constructive leadership role in multilateral forums. In the WTO the country has sought to adopt a much more pro-active leadership role by building alliances with and between other developing countries ... south Africa is seen to articulate the best interests of the developing countries and those in the southern hemisphere.

On a range of WTO negotiations in most cases the country appears to seek redress on the contentious Uruguay agreements, though it is not opposed to the inclusion of new issues on the trade agenda. Since the post 1994 era Pretoria has engaged in constructive diplomacy of framing the developing world's position in the WTO and used its weight to get matters of concern for the south on the negotiations agenda. A group of South Africa trade expert in Geneva have mobilised support from other developing countries and positioned South Africa to leadership positions in numerous coalitions (Keet, 1998). The NAMA11 coalition, led by South Africa standout of the rest, the moderate success recorded by the group can be attributed to South Africa's leadership role and the country's preparation of the group's position. The G20's success as well is attributed to some degree, to South Africa's participation in the grouping and strong bargaining powers. This goes without neglecting the role played by other three emerging powers Brazil, India and China.

In sum it is proper and methodologically sound to assume that the recent transformative leadership roles played by emerging powers in coalition bargaining, has revolutionised coalition formation by developing countries and altered coalition behaviour. Therefore leadership provides a strong explanatory variable for coalition evolution in the WTO. Thus developing countries coalitions has evolved/changed in the WTO because of the leadership played by emerging powers in coalition bargaining.

4.7 Conclusion

In sum the chapter above has attempted to provide a prognosis for coalition evolution in the WTO. It can be deduced from the chapter that developing countries coalition evolution in the WTO was caused by numerous push and pull factors. Amongst the factors discussed in the chapter four stands out namely (*social learning, the raise of new regionalism in the third world, inclusion of new issues on the negotiation agenda and the emergence of middle powers in international relations*). The chapter also located the turning point in the history of coalition evolution and revealed that developing countries coalitions started to change mainly in the Seattle ministerial conference and Cancun ministerial respectively.

The Leadership roles played by emerging powers countries like Brazil, China, India and South Africa to some extent was identified as the main cause of coalition evolution in trade multilateralism. It was establish that because of the leadership provided by these countries coalitions of developing countries have been able to increase their bargaining capacity, make credible threats and above all stick to their negotiation positions, this bringing some success to the coalitions. The success of the G20 discussed somewhere in the chapter bears testimony to this.

Also noteworthy is the fact that a strong grouping of coalitions in the WTO from the developing world carries far reaching ramifications for the trade regime and brings with it numerous consequences. Such consequences were not discussed in the chapter. However the proceeding chapter (chapter 5) will look into the consequences of an evolved southern coalition for the WTO and the future of trade negotiations in the system.

Chapter: 05

The Consequences of Coalition Evolution and the Future of the Multilateral Trading System

5.1. Introduction

The recent eminence of coalitions in the WTO has far reaching consequences for the unfolding trade regime. The strong coalitions forged by the south in the trading system calls for concern. On the one hand these coalitions have the capacity to bring about well needed reforms in the system, whereas on the other these coalitions have the tendency of becoming the main source of deadlocks in trade negotiations, this putting a halt on trade liberalization and the advancement of free-market ideologies. The following chapter attempt to discuss some of the consequences strong coalition formation from the south is likely to have on the WTO and the future of the global system in general.

5.2. Immediate Consequences of Coalition Evolution for the WTO

For the trading system in particular strong coalition formation by the south is likely to bring about positive and negative changes. In the near future the impact of strong coalition formation will be felt in the negotiation milieu. These coalitions will probably be the main course of concern for progress in concluding new trade agreements and/or rounds of trade negotiations. Recent evidence from trade negotiations shows that, strong coalition formation by developing countries is the main source of stalemate or deadlocks in the negotiations (Narlikar, 2010).

The deadlocks observed in the trade regime since the launch of the Doha Development Round of trade negotiations in 2001, have in part being attributed to strong coalition bargaining by developing countries (Dijck and Faber, 2006). Together with the inability of countries to reach a consensus regarding the Singapore issues introduced in 1996. Furthermore the stalemates at Cancun and Seattle ministerial conferences were believed to be caused by coalitions and their vigorous stance on certain issues.

In the long run a strong grouping of third world countries in the WTO, is expected to result in structural reforms of the system and amendments of existing rules, in favour of rules advocating

for distributive justice. The calls for systematic reforms already uttered by a handful of developing countries coalitions in the WTO points to this direction (Page, 2004). Additionally in the foreseeable future the WTO may lose its credibility and be replaced by Regional Trade Agreements (RTA's). The fact that a strong Southern coalition has resulted in a paradigm shift and countries preferring to enter into regional as opposed to multilateral trade agreements due to the ease of concluding the former agreements as opposed to the latter is cumbersome. This shift in preference threatens the future of the multilateral trading regime.

However on a more positive side, these new coalitions are expected to put an end to trade distortions and create a trade regime that is more balanced and beneficial to all members. A trade regime that would actually see less developed countries, reap the developmental promises of a liberal trade agenda.

The consequences of coalition evolution in the trading system are not confined only to the WTO itself, but may be felt even beyond the institution, below the paper consider some of the spill over effects of coalition evolution beyond the WTO.

5.3. Consequences of coalition evolution beyond the WTO

Beyond the trading regime, the consequences of developing countries coalitions are already starting to manifest themselves elsewhere, in other areas. More and more developing countries are starting to recognise the benefit of collective effort and bargaining. Mostly in the form of south-south cooperation, institutional building, intra-southern trade etc.

5.3.1 South-South Cooperation

To date South-South cooperation is becoming a discourse in third world-ism and a subject matter on everyone's lips; people everywhere in the world can no longer ignore but recognise the increased cooperation and coordination of efforts amongst developing countries, together with their collective desire of reforming the current world order. In multilateral institutions like the IMF, WB and UN developing countries are continuously working together towards a reform of the institutions. In the United Nations in particular, third world countries are collectively calling for a change in the status quo and an increased representation of the developing world (Dijck and Faber, 2006). In the Security Council developing countries are proposing more representation in

the form of a permanent seat for either one of the emerging powers. Though there is no consensus on which one of the powers developing countries are pushing the race is between Brazil, India and South Africa. These illustrating strong south-south cooperation initiatives whose seed was revived and/or sworn by the emergence of stronger coalitions in the WTO.

5.3.2. Increased Intra Southern Trade

The increased cooperation of developing countries, consequently cemented by strong coalition formation in the WTO has also resulted in increased intra-southern trade and attempts at regionalism. In recent years there has been a proliferation of regional trade agreements RTA's especially amongst third-world countries (Moore, 2004). The new regionalism in Asia, Africa and the Caribbean can be seen as a respond by developing countries to the failures of the WTO and a desire to create an equitable and just trade regime amongst them. The raise in the number of RTA's since the 1990s also need to be understood in relation to the failures of the trading regime, consequently caused by coalition evolution. Therefore it is rational to argue that the increase in intra-southern trade observed in recent times, is in part caused by stronger coalitions in the WTO and the desire by southern countries to work more closely together through advancing trade.

5.3.3. Development of Southern structures/ forging formal institutions

The perceived success of developing countries coalitions in the WTO, has also embolden third world countries and consequently led to these countries attempt at erecting permanent institutions or structures for cooperation. In recent time's developing countries have formed a handful of instrumental structures and/or institutions for cooperation.

Amongst the well-known southern institutions for cooperation are the IBSA forum, the BRIC's and the G20. The IBSA forum formally known as the India, Brazil and South Africa dialogue forum was established in 2003, (Carpeter, 2007:2-24). IBSA is described as a trilateral diplomatic partnership that aims to strengthen cooperation amongst countries of the South. Areas of cooperation in the IBSA forum include: trade, tourism, globalisation, the environment, peace and security, and socio-economic development.

The forum aims to increase cooperation between the tripartite countries (India, Brazil and South Africa) and extend this cooperation to the broader south. The scope of IBSA is broad and articulates a range of areas; its action plans are overloaded ranging from common positions in the WTO, to reforms in multilateral institutions in general (Carpenter, 2007:17-24). IBSA represents one of the many attempts by the developing world at forming permanent institutions of cooperation, particularly when it comes to the WTO. IBSA is in part an outcome of a coalition that started in the WTO, when the three countries collectively opposed stronger TRIPs measures and called for relaxation of patent rights for the developing world. To date IBSA is a fully fledged forum for cooperation between the three members. The IBSA dialogue is instrumental in numerous ways and serves as a model for more robust third world cooperative and collective bargaining initiatives.

The G20 also is another exemplar of a robust set of countries making strides in the global economy and if it becomes formally institutionalised, its areas of cooperation can well extend beyond agricultural negotiations in the WTO and articulate more issues of concern for the developing world (Narlikar and Tussie, 2004). These will ultimately see more and more developing countries coordinating their efforts, bargaining collectively, creating their own institutions and above all erecting permanent structures for collaboration.

Apart from the institutional arrangements mentioned above, there has also been an increased cooperation in the form of bilateral and multilateral agreements. Since the 1990s more and more developing countries are signing agreements with each other and most of the agreements are in the areas of trade cooperation, investments and technological transfers to some extent. The increased bilateral trade agreements in the developing world point to one direction, which is the weakness inherent in multilateral trade. These agreements to some extent consequently resulted from the countries' initial cooperation in the WTO, specifically in coalition building and bargaining.

5.4. Where To From Here

The consequences of coalition evolution are expected to be cumbersome for the trading regime. However as things stand they are only starting to manifest themselves in the organisation, mainly in the form of stalemates and deadlocks. The long term impacts of these coalitions are yet to be

felt and only time would tell. The fact that these coalitions are relatively new makes it difficult to predict their impact for the broader WTO and global system in general. Recent scholarship however has started to emerge pointing to possible reforms of the system and a change in generic rules or principles. More scholarly research is needed on the subject matter as times goes on, to effectively diagnose the long term consequences of coalition evolution and the future of the trading regime.

5.5. Conclusion

In sum the chapter has attempted to establish the consequences of new coalitions for the WTO. The chapter revealed that the immediate consequences of coalition evolution will be felt mostly in the organization itself. In the form of persistence deadlocks, stalemates and breakdowns in trade negotiations. Whereas far researching consequences are likely to be felt outside the confines of the WTO. Mostly in the form of increased South-South cooperation and the coordination of developing countries efforts in other (IO's) International Organisations, the likes of the IMF, WB and UNSC, where developing countries are collectively calling for reforms in the system. Further consequences are already beginning to manifest themselves in the creation of new southern cooperation structures and/or institutions the likes of BRIC's, IBSA forum and the G20 are case in point. The exact consequences of these coalitions however remain understudied and unknown due to limited scholarly research on the matter.

Chapter: 06

Conclusion and Recommendations

6.1. Conclusion

In concluding this research report, it is important to go back and reflect on some of the major themes or questions covered in the research. The report aimed to study the causes and consequences of coalition evolution for the multilateral trading system the WTO in particular. To achieve this research objective the study raised a number of intellectual questions that has far reaching theoretical underpinnings. The questions, raised in the report included the “what, why and how questions”.

First the study attempted to understand, why developing countries form coalitions in the WTO. Second what causes these coalitions to fail and thirdly what has been the impact of these coalitions for the multilateral trading regime. Amongst other things the report wanted to find out why these coalitions have changed over time and what has been the cause of these changes. Finally the report attempted to establish what will be the consequences of these coalitions for the WTO looking at current and future negotiations. To this end the report yield interesting answers and found scientific evidence for understanding developing countries coalitions in the WTO.

On the question of *why developing countries form coalitions* the report established that for decades developing countries have been forming coalitions in the Multilateral trading system for differing reasons. First these countries formed coalitions to improve their representation in the system, to balance power in the negotiation process, to advance the interest of the members in the negotiation milieu and amongst others to display a united front and/or pull resources together, in order to have an impact on the outcome of the negotiations. Additionally the study found that developing countries form coalitions to place matters on the agenda, advocate for structural reforms in the system nor propose amendment to existing rules or principles, for example to deal with matters which they will be unable to address if they acted individually in the system. Whatever the reasons for coalition formation, the study found that coalition formation have for decades formed an inherent part of developing countries diplomacy in the multilateral trade regime.

Coming to the question of *what causes these coalitions to fail* the report made use of the Uruguay case study as a point in time and revealed that developing countries coalitions failed in Uruguay due to a vast array of factors. To fully understand these factors the report applied Peter Drahos's tool of analyses "The sources of bargaining power in trade negotiations, and revealed that developing countries coalitions often fail, because of a lack of bargaining power.

Bargaining power was defined as the ability of actors in a situation to exert influence over each other to the cost of not reaching an agreement for the other actor or strike a deal that best caters for either party's interest. In most cases bargaining power is expressed as the ratio of a party's ability to influence other parties for its own individual advantage or for the disadvantage of others. Market power, a network of commercial intelligence, enrolment power and institutional arrangements were identified in the research as the major sources of bargaining power in multilateral negotiations. The lack of these powers on the part of developing countries coalitions contributed to their failures in trade negotiations.

The lack of leadership, technical expertise and resources, (whether be financial or human capacity) were also identified as the major causes of coalition failure. The study found that the lack of leadership particularly during the Uruguay round of trade negotiations undermined the credibility of the coalitions and in essence led to their demise.

On the reasons *why developing countries coalitions have evolved*, the report traced the turning point in coalition evolution to Cancun and Seattle ministerial conferences. The report revealed that developing countries coalitions have evolved as a result of numerous pull n push factors. Amongst the factors discussed in the report the study found that coalition evolution in the multilateral trading system need to be understood in relation to the process of social learning, broadening of scope in trade negotiations or the inclusion of new issues on the negotiation agenda, together with the emergence of middle powers in the global economy.

An argument was made that developing countries coalitions have evolved because they have learned from their past mistakes or failures in the system. While the other argument pointed to a realisation that the inclusion of new issues on the trade agenda led to an awakening on the part of the third world, that further marginalisation would occur if they continue forming weak structures/coalitions incapable of addressing their interests in the negotiations. Consequently this

resulted in developing countries forming stronger, well-coordinated partnerships and/or coalitions in the trading regime.

Of utmost importance to the research report was the theoretical tool of analysis, the *Transformative Leadership Approach* applied to understand coalition evolution. The study established that the coalitions of developing countries observed today in the multilateral trading system are nothing but a result of strong leadership roles provided by emerging powers (countries like Brazil, China, India and South Africa to some extent), in coalition bargaining and formation.

The study found that the leadership provided by these countries in coalition bargaining and formation is novel and instrumental to the recent success and/or changes observed in the coalitions. The leadership roles provided by all emerging powers in the various coalitions (G20, NAMA11, LMG and many others) discussed somewhere in the report, resonate very well with the Transformative leader's or the Transformative Leadership Approach.

These countries behave in ways that bring out the best in individuals or members, they show genuine concern and respect for others, continuously invest in the development of themselves and the coalitions they are party to. They have developed a culture of collaboration rather than command and control over others and amongst other things they concentrate on terminal values such as integrity and fairness. They see the responsibility of their coalitions to have an impact on the WTO by increasing the awareness of what is right, good, important, and instrumental for the success of the system in general. And because of these commitment in transforming the system, Emerging powers leadership in coalition formation has revolutionised the way developing countries behave in the WTO and this has ultimately led to an evolution or change in both coalition bargaining and formation.

The study therefore concluded that the transformative leadership provided by emerging powers in coalitions is instrumental in understanding their evolution. Thus developing countries coalition evolution has amongst other things been caused by the transformative leadership provided by emerging powers.

Last but certainly not least the study also attempted to reveal *the consequences of these coalitions for the WTO*. And found some interesting impacts which these epistemic communities

are likely to bring to the multilateral trading system and global order going forward. The report established that the immediate consequences of coalition evolution will be felt in the organization itself. In the form of persistence deadlocks, stalemates and breakdowns in trade negotiations. Moreover an increase towards regional trade agreements as opposed to multilateral agreements is anticipated to become a prominent feature of the trade regime going forward given the emergence of strong coalitions. Other identified immediate consequences for the WTO would include a loss of faith in the organization, attempt at reforms and possibly a more balanced trade regime.

Far reaching consequences found by the research will be felt outside the confines of the WTO. A stronger southern coalition of countries in the WTO is likely to enhance more South-South cooperation initiatives and lead to developing countries coordinating their efforts in other IO's, these trends has already stated to show in the IMF, WB and UNSC where developing countries are collectively calling for reforms in the system. Further consequences are manifesting themselves in the creation of new southern cooperation structures the likes of BRIC's, IBSA and the G20 are a reflection of strong southern partnerships or collaboration that had its roots in coalition formation starting in the WTO.

In a nutshell the future of the multilateral trading regime hangs in the balance and the successful conclusion of the current Doha round and future rounds of trade negotiations would depend very much on whether this new coalitions give in to the pressures of the quad group or on whether the new leaders are able to force developed countries to change their stance on trade. As things stands the trading regime is fast changing and the emergence of strong coalitions calls for concern and optimism at the same time. Going forward developing countries coalitions provides a force to be recon with and their might can no longer be ignored.

6.2. Recommendations

Since the study only touched based with developing countries coalitions and attempted to understand the reasons why these coalitions have changed or evolved over time. Future studies can focus on a hybrid of coalitions that includes both developed and developing countries and assess their viability and whether there has been any significant change in them.

In addition further research on coalition bargaining can identify either a single case coalition e.g. the LMG, G20, or SVE and study the coalition's impact on the trading system, together with establishing whether there has been any instrumental change in the grouping and the causes of the change thereof.

More research on coalitions can look into the emergence of leadership and assess in detail the reasons why emerging powers refuse to assimilate to the system but instead choose to provide leadership in coalitions and push for a reformist agenda.

Apart from these other studies can study the future of these coalitions in the multilateral system and find out whether or not their impact will be positive or otherwise for the WTO going forward.

Most importantly future research can consider the consensus decision making rule of the WTO against the basis of coalition formation and attempt to establish the effects of these coalitions on the rule and vice versa.

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APPENDIX I: Developing Country Coalitions Active in the WTO: as of December 2006

Coalition	Membership	Description of Issues
African Group* (preparations for Seattle 1998)	Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Congo, Ivory Coast, Democratic Republic of Congo, Djibouti, Egypt, Gabon, Gambia, Ghana, Guinea, Guinea Bissau, Kenya, Lesotho, Madagascar, Malawi, Mali, Mauritania, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, South Africa, Swaziland, Tanzania, Togo, Tunisia, Uganda, Zambia, Zimbabwe, and 7 observers.	The Group formed out of a decision taken by the Organisation of African Union (OAU) and the African Economic Community (AEC) in 1998. The coalition negotiates across all issues. The coalition played an active role in the securing of the TRIPS and Public Health declaration, in the opposition to the Singapore Issues in Cancun, and in securing the waiver of the Cotonou Agreement. In Hong Kong the coalition also worked to support the efforts of the Cotton 4. The group operates often in tandem with both the ACP and the LDC Group.
ACP Group* (preparations for Doha, 2001)	The African Group members (minus Egypt, Morocco, South Africa and Tunisia), plus Antigua & Barbuda, Barbados, Belize, Cuba, Dominica, Dominican Republic, Fiji, Grenada, Guyana, Haiti, Jamaica, Papua New Guinea, St Kitts and Nevis, St Lucia, St Vincent and the Grenadines, Solomon Islands, Suriname, Trinidad & Tobago, and 9 observers.	The Group coordinates with the African Group. The central focus of the coalition was on securing the waiver for the Cotonou Agreement, signed on 23 June 2000. This was achieved at Doha. The coalition also negotiates on a platform that seeks to defend against the erosion of preferential agreements, which many members of the group have with the EU.
ASEAN (1973)	Brunei, Cambodia, Indonesia, Malaysia, Myanmar, the Philippines, Singapore, and Thailand. (Lao and Vietnam were negotiating WTO membership as of December 2006. Vietnam subsequently became a WTO member on 11 Jan 2007)	ASEAN Geneva Committee was constituted in 1973, and was especially active during the Uruguay Round. In the WTO, the group has delegated and coordinated issues within its membership, but has been limited to the exchange of information rather than the submission of joint proposals.
Coalition	Membership	Description of Issues

Cairns Group* (1986, Uruguay Round)	Argentina, Australia, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Guatemala, Indonesia, Malaysia, New Zealand, Pakistan, Paraguay, Peru, Philippines, South Africa, Thailand, and Uruguay. (Fiji was previously a member of the coalition)	In the WTO the group has lobbied for greater liberalisation of agriculture, with respect to the elimination of export subsidies, substantial improvement in market access and the elimination of trade and production distorting forms of support. The Cairns Group has pushed the most ambitious agenda on agriculture, which has seen it place increasing pressure on both the EU and the US to reform their farming practices.
CARICOM (1997)	Antigua and Barbuda, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, St Kitts and Nevis, St Lucia, St Vincent and the Grenadines, Trinidad and Tobago, Suriname	The group has been active since 1997 with the establishment of the CARICOM Regional Negotiating Machinery (CRNM). The Group negotiates across the range of WTO issue areas, with particular reference to the need for special and differential treatment in the agricultural negotiations for small economies.
Core Group on Singapore Issues (2001)	Bangladesh, Cuba, Egypt, Kenya, India, Indonesia, Malaysia, Nigeria, Pakistan, Rwanda, Venezuela, Zambia and Zimbabwe.	The group emerged in opposition to the treatment of the four Singapore issues as a single basket.
Core Group On Trade Facilitation (2005)	Bangladesh, Botswana, Cuba, Egypt, India, Indonesia, Jamaica (as the ACP focal point), Kenya, Malaysia, Mauritius, Morocco (as African Group focal point), Namibia, Nepal (as LDC focal point), Nigeria, the Philippines, Rwanda, Tanzania, Trinidad and Tobago, Uganda, Venezuela, Zambia and Zimbabwe.	The group has focused on the provision of technical assistance and special differential treatment, and the need to assess the implementation costs and support capacity building in the trade facilitation negotiations.
Coalition	Membership	Description of Issues
Cotton-4* (preparations for Cancun, 2003)	Mali, Benin, Chad and Burkina Faso	The coalition emerged to demand the complete phase-out of subsidies on cotton and the implementation of a financial

		compensatory mechanism, until the subsidies were phased out. The coalition worked in conjunction with the African Group. In Hong Kong, the group secured the elimination of export subsidies on cotton by 2006, and a commitment to eliminate domestic subsidies earlier than the rest of the agricultural negotiations.
Coalition	Membership	Description of Issues
Friends of Fish (preparations for Seattle 1998)	Australia, Iceland, New Zealand, Norway, Peru, Philippines and US	The alliance emerged in the preparatory phase of Seattle in 1999. The coalition has proposed the elimination of subsidies that contribute to fisheries overcapacity. In Doha the group achieved recognition of the need to work to improve disciplines on fisheries.
Friends of the Development Box (preparations for Seattle, 1999)	Cuba, Dominican Republic, Honduras, El Salvador, Haiti, Honduras, Kenya, Nicaragua, Nigeria, Pakistan, Peru, Senegal, Sri Lanka, Uganda and Zimbabwe.	The group began in the preparatory process for Seattle in 1999 and has attempted to draw attention to the need of Special and Differential Treatment for developing countries and LDCs in agricultural negotiations. Though unable to secure the adoption of a 'development box', the Doha Declaration does acknowledge the need for Special and Differential Treatment.
Friends of Anti-Dumping Negotiations (2003)	Brazil, Chile, Israel, Japan, Korea, Norway, Switzerland, Chinese Taipei, Thailand and Hong Kong, China	The group seeks to tighten rules on the application of anti-dumping measures, including the mitigating of 'excessive effects' of antidumping measures, preventing such measures becoming permanent, strengthening the due process and transparency of dumping proceedings and reducing the costs of anti-dumping cases
G-10* (2003)	Iceland, Israel, Japan, Republic of Korea, Liechtenstein, Mauritius, Norway, Switzerland	The group supports the 'multifunctionality' of agriculture (i.e. the multiple

	and Chinese Taipei. (Bulgaria was previously a member)	roles agriculture plays, including the maintenance of cultural heritage, the conservation of land, the preservation of the natural environment etc.) and the need for high levels of domestic support and protection.
G-11* (2005)	Bolivia, Colombia, Costa Rica, Ecuador, El Salvador, Honduras, Guatemala, Nicaragua, Panama, Peru and Venezuela.	The group supports the full liberalisation of agricultural tropical products.
Coalition	Membership	Description of Issues
G20* (Cancun, 2003)	Argentina, Bolivia, Brazil, Chile, China, Cuba, Ecuador, Egypt, Guatemala, India, Indonesia, Mexico, Nigeria, Pakistan, Paraguay, Peru, Philippines, South Africa, Tanzania, Thailand, Uruguay, Venezuela and Zimbabwe (Colombia, Costa Rica and El Salvador were previously members of the G-20 and original signatories to the coalition's proposals in Cancun).	The G-20 seeks the elimination of export subsidies and domestic support and the liberalisation of market access in agriculture.
G-33* (preparations for Cancun, 2003)	Antigua & Barbuda, Barbados, Belize, Benin, Bolivia, Botswana, China, Cote d'Ivoire, Congo, Cuba, Dominica, Dominican Republic, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, India, Indonesia, Jamaica, Kenya, Korea, Madagascar, Mauritius, Mongolia, Mozambique, Nicaragua, Nigeria, Pakistan, Panama, Peru, the Philippines, Saint Kitts and Nevis, St Lucia, St Vincent and the Grenadines, Senegal, Sri Lanka, Suriname, Tanzania, Trinidad and Tobago, Turkey, Uganda, Venezuela, Zambia and Zimbabwe.	Emerged in favour of including provisions on Special Products (SP) and Special Safeguard Mechanism (SSM) in a revised agreement on agriculture. The group seeks to make operational and effective special and differential treatment provisions by allowing developing countries to protect certain products from liberalisation on the basis of food security, sustainable livelihoods and rural development needs.
G90* (emerged in Cancun, 2003)	Alliance of the African, LDCs, and ACP Group.	The alliance of the three coalitions emerged in Cancun in

		opposition to the Singapore Issues re-emerging on the agenda in Cancun. The group also was remobilised in Hong Kong, in order to harmonise the positions of the three groupings. Part of the impetus of forming the G90 has been the technical difficulties of spreading a small delegation across three sets of coalitions, and also the attempt to gain greater leverage in the negotiations
G-24 on Services (1999)	Argentina, Bolivia, Brazil, Colombia, Cuba, Dominican Republic, Ecuador, El Salvador, Honduras, India, Indonesia, Malaysia, Mexico, Nicaragua, Pakistan, Panama, Paraguay, Peru, Philippines, Sri Lanka, Thailand, Uruguay and Venezuela.	Formed to address the Guidelines and Negotiating Procedures on Services Negotiations.
Coalition	Membership	Description of Issues
LDC Group* (1999)	Angola, Bangladesh, Benin, Burkina Faso, Burundi, Central African Republic, Chad, Congo, Djibouti, Gambia, Guinea, Guinea Bissau, Haiti, Lesotho, Madagascar, Malawi, Maldives, Mali, Mauritania, Mozambique, Myanmar, Niger, Rwanda, Senegal, Sierra Leone, Solomon Islands, Tanzania, Togo, Uganda and Zambia.	The Group has focused on issues including the need for technical assistance and capacity building, the problems of accession, representation and research for LDCs. More recently, the group has focused on negotiating the five agreement specific LDC proposals on Special and Differential Treatment. In Hong Kong, the group worked to secure Duty Free and Quota Free Market Access to developed country markets.
Like Minded Group (LMG) (1996)	Cuba, Dominican Republic, Egypt, Honduras, India, Indonesia, Kenya, Malaysia, Pakistan, Sri Lanka, Tanzania, Uganda and Zimbabwe, with Jamaica and Mauritius as observers	Initially formed in opposition to the 'Singapore Issues' but then evolved to focus on implementation issues, development issues and systemic reform.
MERCUSOR (formed 1991)	Argentina, Brazil, Uruguay, and Paraguay.	joint-proposals submitted in the build-up to the Seattle Ministerial. Cooperation largely focused on agricultural

		negotiations.
NAMA-11* (preparations for Hong Kong, 2005)	Argentina, Brazil, Egypt, India, Indonesia, Namibia, Philippines, South Africa, Tunisia and Venezuela.	The group led by South Africa supports the maintenance of developing country flexibilities with regard to the application of the formula for NAMA tariff reductions, while curbing tariff peaks and escalation in developed countries.
Paradisus Group (2001)	Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua, and Panama.	Formed in the run-up to Doha, and focused on procedural issues of WTO institutional reform. The Group was not sustained after the launch of the Doha Round.
RAMs (2003)	Albania, Armenia, China, Croatia, Ecuador, FYR Macedonia, Jordan, Kyrgyz Republic, Moldova, Mongolia, Oman, Panama, Saudi Arabia and Chinese Taipei.	The group has worked to ensure the differential treatment of recently-acceded-members (RAMS) within the Doha Round due to the extensive levels of commitments these countries made in the process of accession to the WTO
Coalition	Membership	Description of Issues
SVEs* (preparations for Singapore, 1996)	Antigua and Barbuda, Barbados, Belize, Bolivia, Cuba, Dominica, Dominican Republic, El Salvador, Fiji, Grenada, Guatemala, Guyana, Honduras, Jamaica, Maldives, Mauritius, Mongolia, Nicaragua, Paraguay, Papua New Guinea, Solomon Islands, St. Kitts and Nevis, St Lucia, St. Vincent and the Grenadines, Trinidad and Tobago	The group has focused on the underlying assumption that small vulnerable economies (SVEs) face problems that are unique and ought to be recognised in trade negotiations. In particular the group has attempted to secure preferential treatment and technical assistance for their economies.

Source: compiled from WTO documents and materials (available www.wto.org), Bridges Newsletter, Narlikar (2003), Narlikar and Tussie (2004). Notes: The appendix only includes coalitions involving developing countries that have been active in WTO. It also does not include groups of countries that have emerged to exchange information and build consensus, but do not attempt to advance a common position in negotiations, such as the Five-Interested Parties (FIPS), FIPS-plus, G-4, G-6, non-G6 and G-110. Coalitions marked with an asterisks (*) were active at the most recent WTO Ministerial in Hong Kong, 13-18 December 2005.