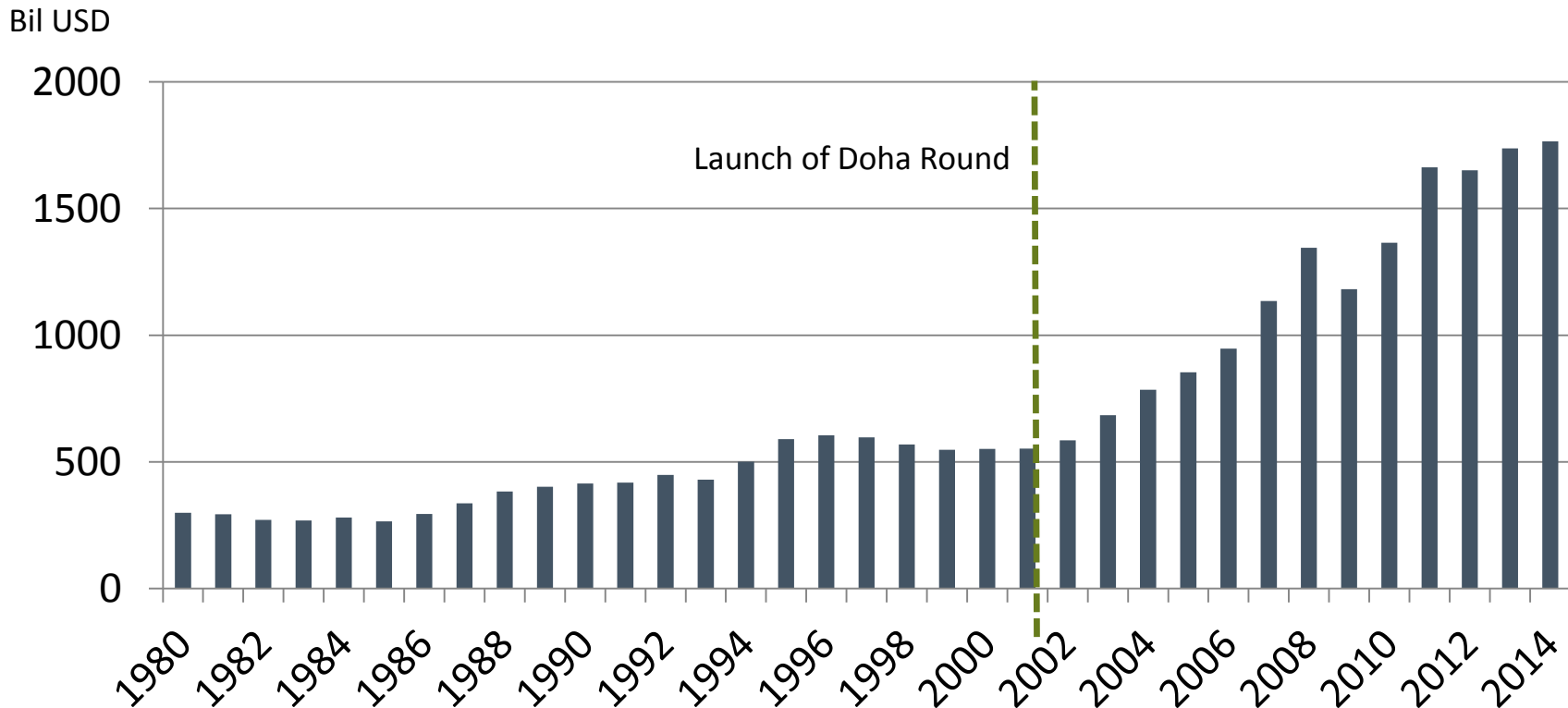




# Whither Multilateralism?

Joseph W. Glauber  
International Food Policy Research Institute  
Adelaide  
4 March 2016

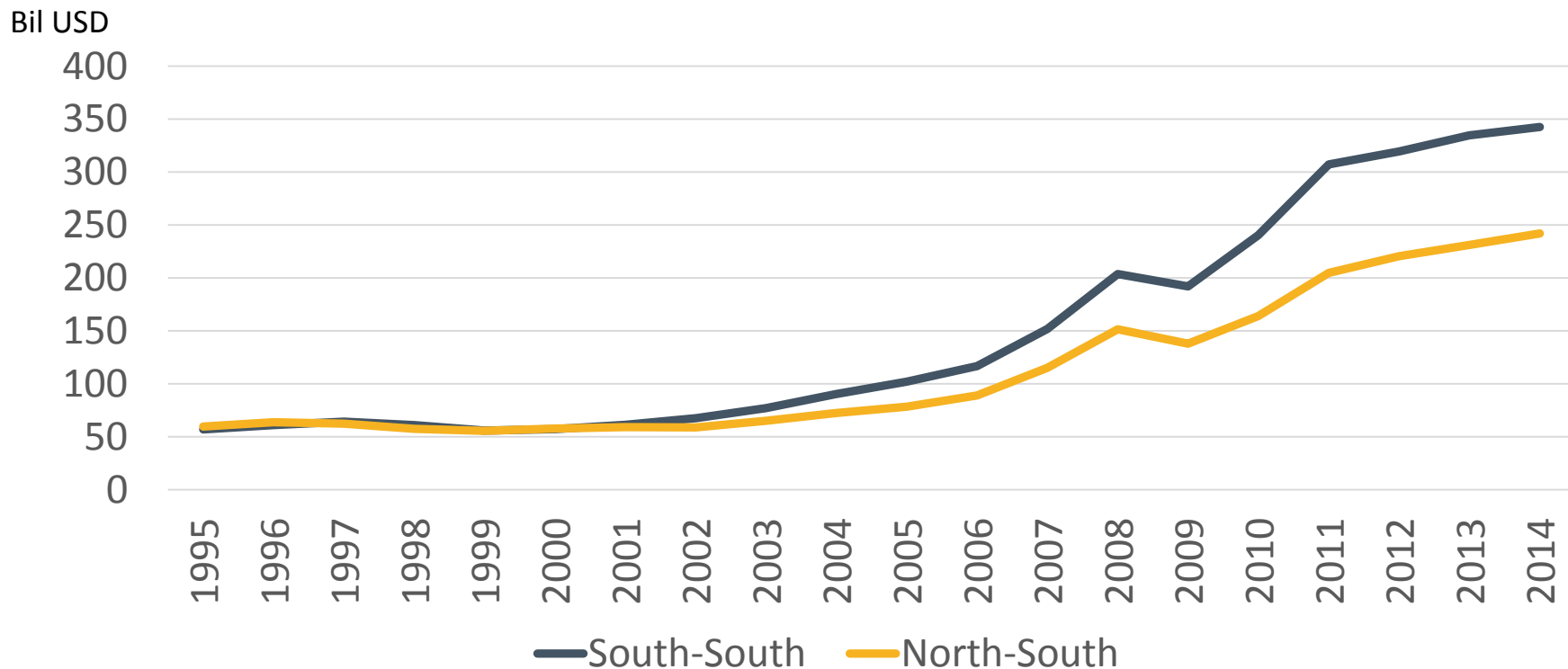
# Growth in global agricultural trade



Source: WTO

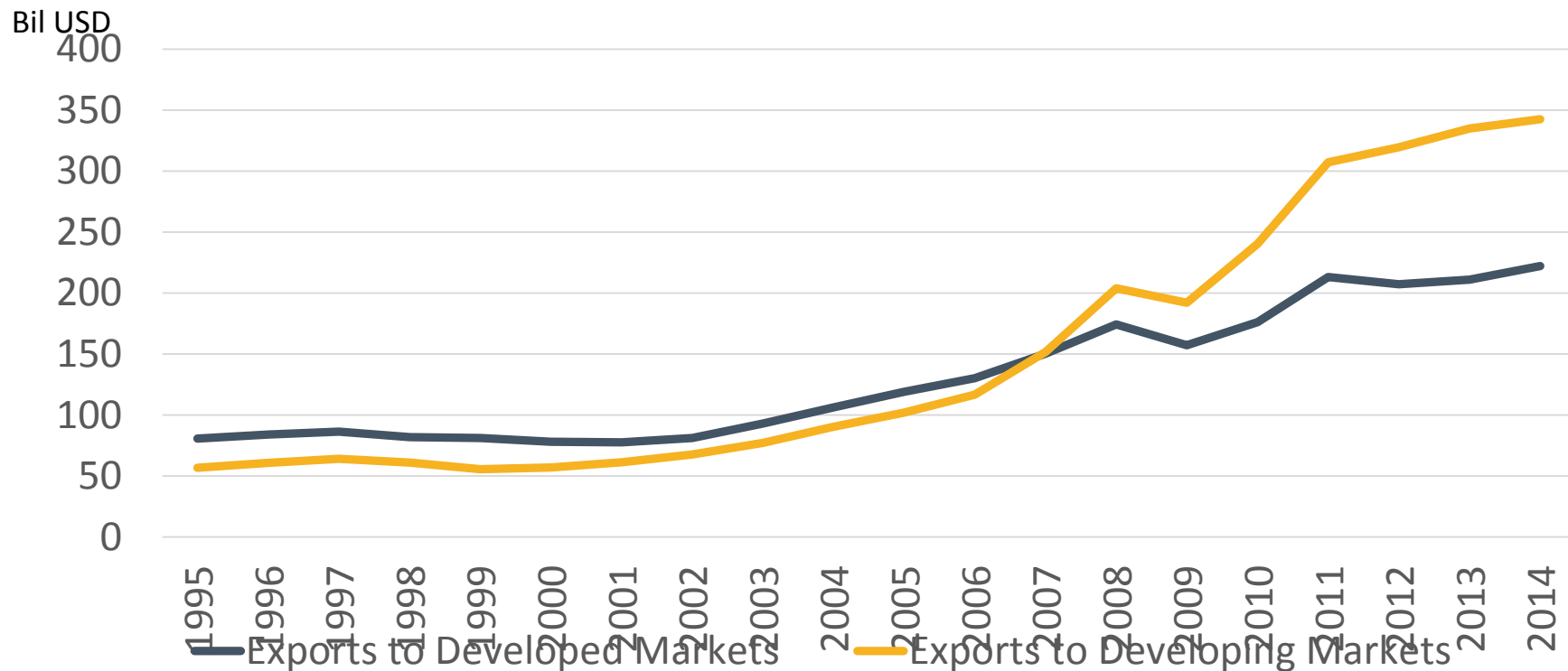


# Growth of South-South Ag Exports



Source: UNCTAD

# Growing share of developing country exports go to other developing markets



# Largest Developing Country Exporters

	2013 Exports Billion USD	Change from 2009	Share to Developing Markets
Brazil	84.6	+59%	66%
China	46.1	+65%	56%
India	41.8	+188%	79%
Argentina	40.6	+50%	74%
Indonesia	34.7	+67%	68%
Thailand	32.7	+53%	67%
Malaysia	26.5	+47%	76%
Mexico	22.0	+52%	12%
Ukraine	16.1	+83%	59%
Turkey	16.1	+58%	56%
World	1,502.7	+49%	39%

Source: Flake and Flake (2015) and UNCTAD (2015)



# Doha Development Agenda, RIP

- 2001: Launch post 9/11
- 2003: Cancun ministerial => emergence of G20/G33/C4
- 2004: Framework Agreement => tradeoffs (CCPs for SSM/SP)
- 2005: Hong Kong ministerial => elimination of export subsidies
- 2006: Geneva meltdown => EU market access v US domestic support
- 2007: G4 process => Potsdam (EU/US v BZ/India)
- 2008: July ministerial => breakup over SSM (India v US)
- 2013: Bali ministerial => trade facilitation; public stockholding
- 2015: Nairobi ministerial => export competition



# Nairobi Package

- Export subsidies eliminated
  - Developed countries: 2020
  - Developing countries: 2023
  - Dvlping use of marketing and internal transportation subsidies (Art 9.4): 2028
  - Volume standstill based on average of previous 5 years
- Export credits—repayment period restricted to 18 months
  - Developed: end of 2017
  - Developing: end of 2020
- Food aid
  - Best efforts on cash versus in kind
- State Trading Enterprises
  - Best efforts



# Nairobi Package

- Special Safeguard Mechanism
  - Recognizes right of developing countries to have SSM (HK ministerial)
  - Committee on Agriculture will have special session to discuss
- Public Stockholding for Food Security Purposes
  - Reaffirmed Bali declaration—peace clause for stockholding practices; vulnerable to SCM challenge
  - Permanent solution to be found by MC11 (2017)
- Cotton
  - Market access—Developed and developing countries “in position to do so”: duty free/quota free access to LDCs
  - Domestic support—recognize efforts to reform policies; more to be done
  - Export competition—immediate phase out for dvlpd; by 2017 for dvlpng
- Market Access—
- Domestic support—



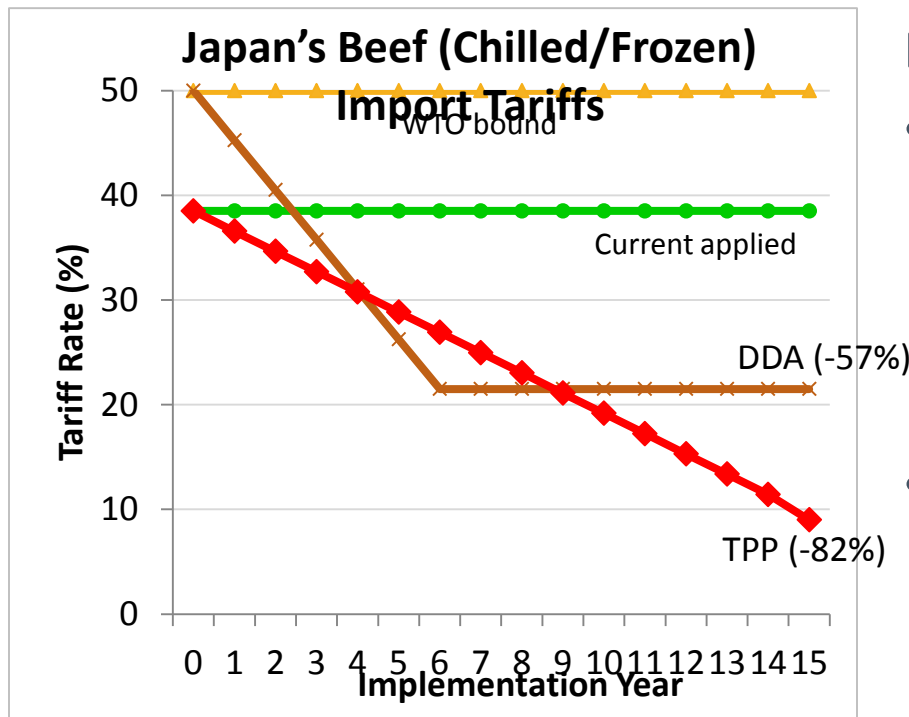
# Impact of DDA reduction formula on applied tariff rates

	Baseline	Formulas without exceptions	Formulas with exceptions
Brazil	7.4%	7.3%	7.4%
China	7.0%	5.7%	6.7%
India	49.9%	47.3%	49.9%
Japan	23.2%	12.7%	17.6%
USA	3.3%	1.9%	2.6%
EU28	13.9%	4.9%	6.9%
Selected countries	12.2%	7.1%	9%

Minimal access in developing countries due to high tariff binding overhang

Most market access gains concentrated in key developed countries

# DDA v TPP



But, far from comprehensive

- Sensitive products remain protected under TPP
  - Dairy
  - Sugar
  - Rice
- More access for SeP under Rev4?
  - Limited tariff lines
  - TRQs



# “Deep” agreements => standardization and harmonization of standards

## TPP

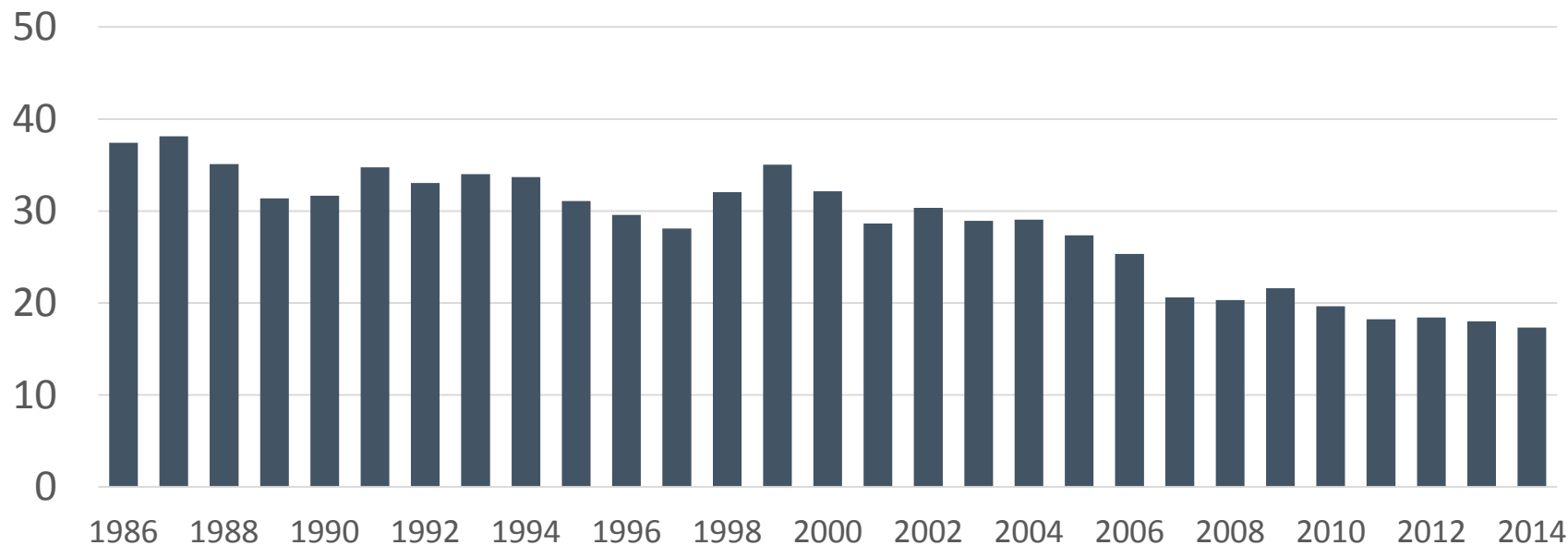
- Labor
- Environment
- Cross border services trade
- E-commerce
- SPS
- Dispute settlement

## TTIP

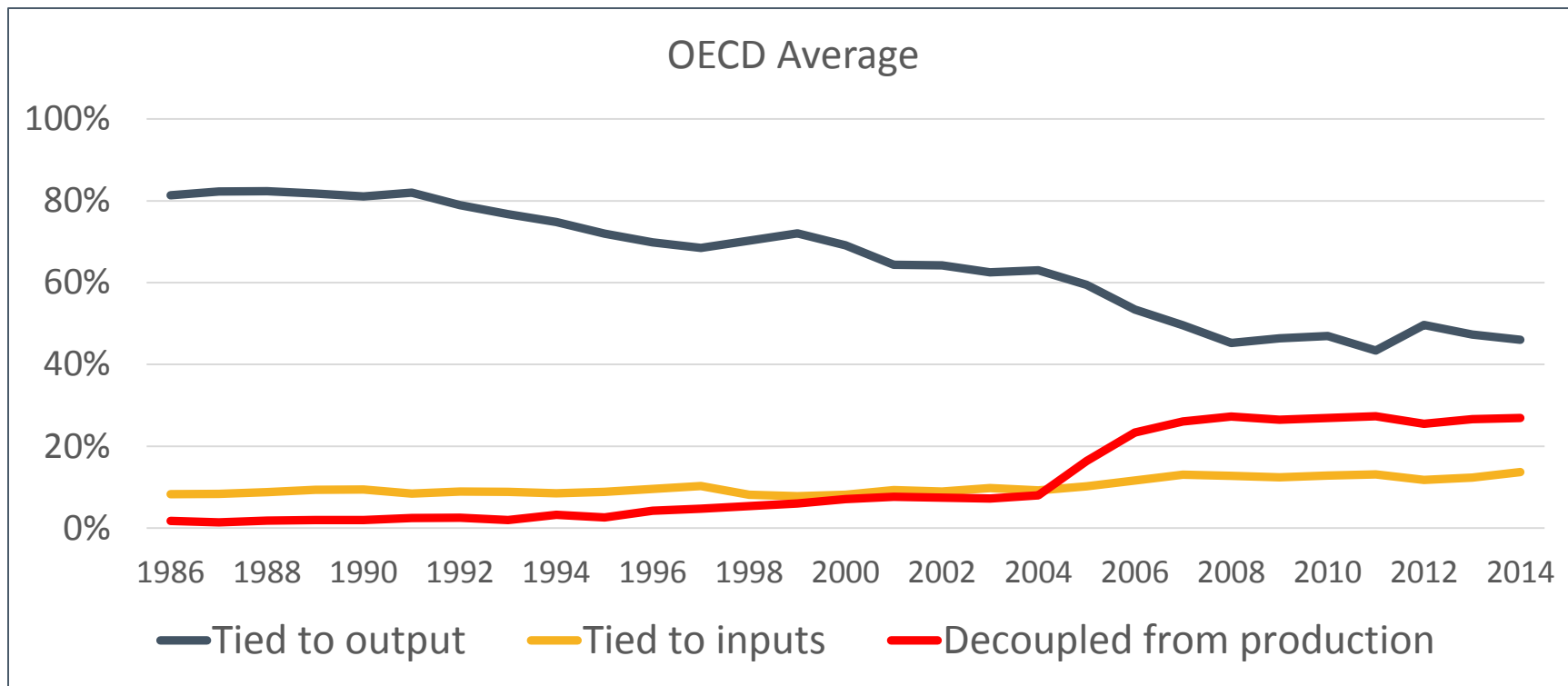
- GMO approvals
- SPS harmonization
- Growth hormones
- Geographical indications

# Domestic support levels

Producer Subsidy Equivalent  
as percent of value of farm production



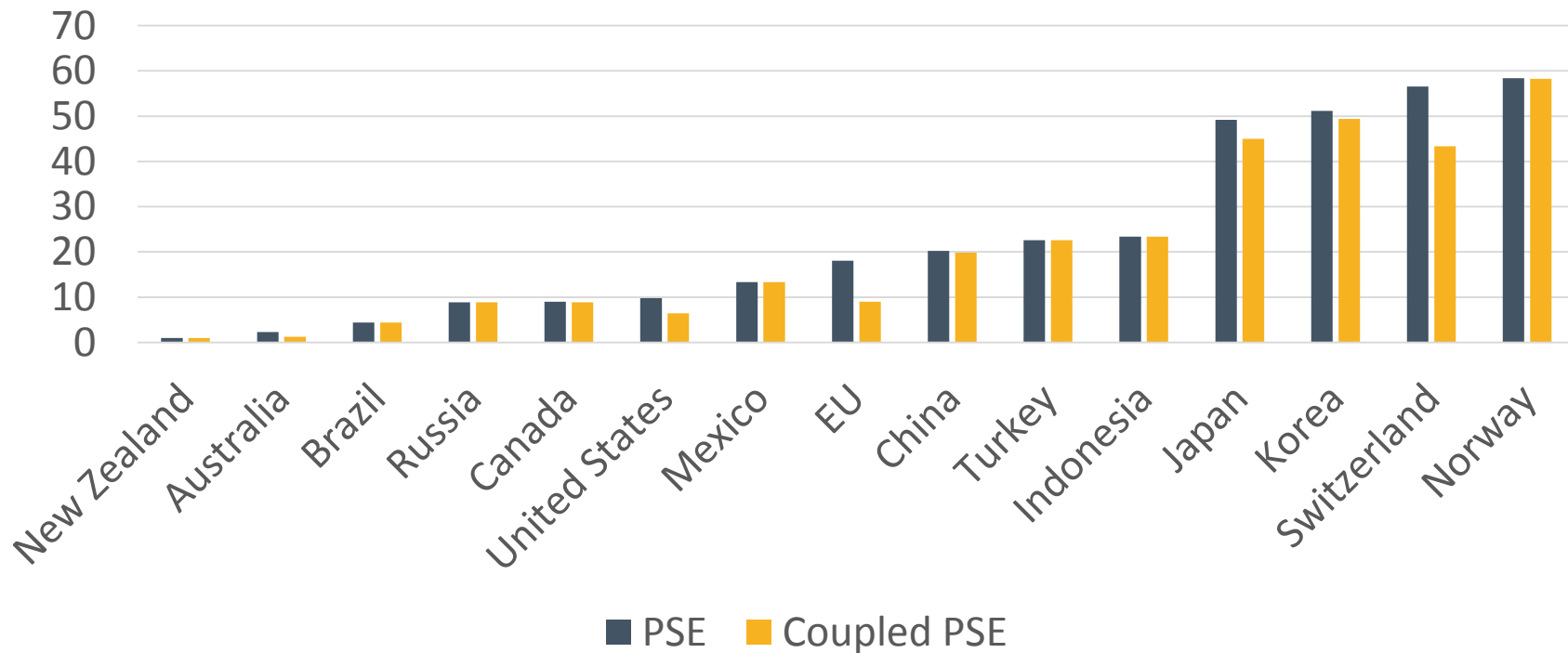
# Composition of domestic support





# Producer Subsidy Equivalents

*Percent of value of production*



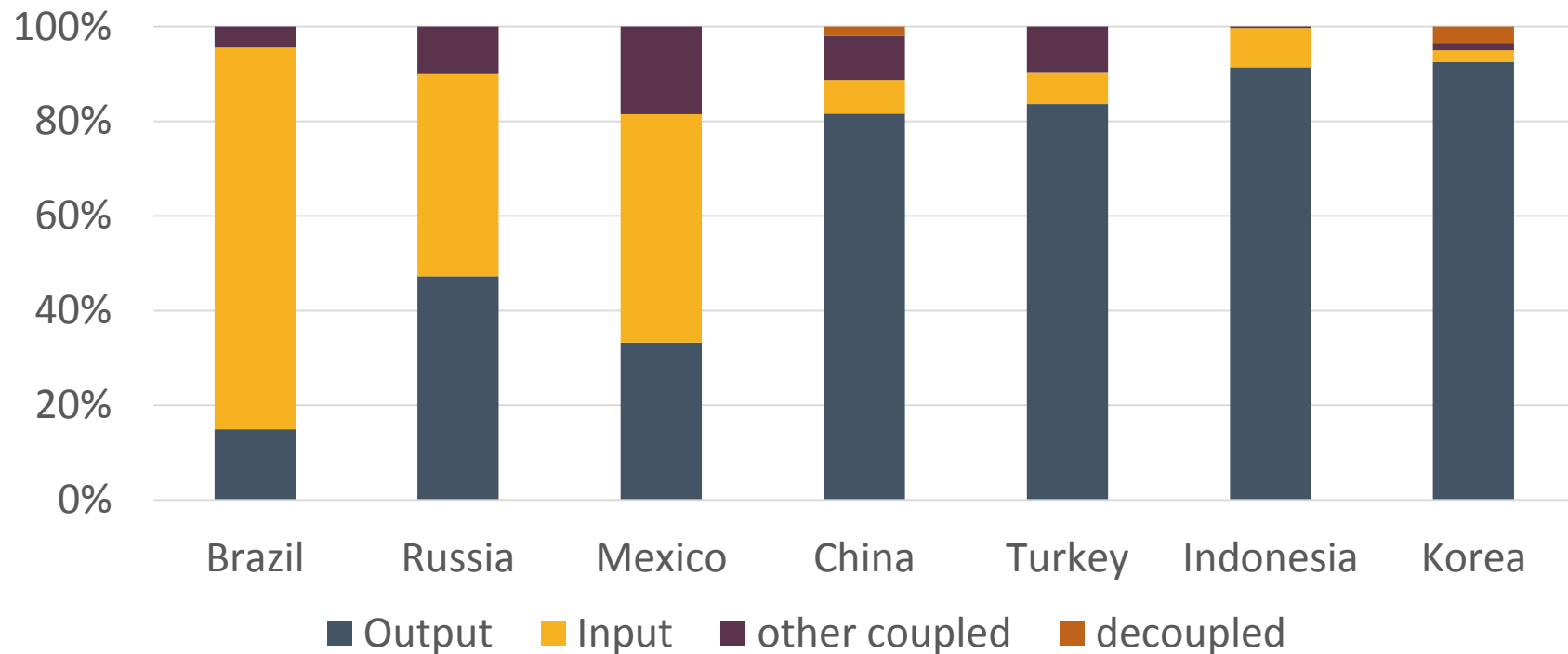
*Source: OECD, calculations by author*



# Composition of Domestic Support

2014

percent



Source: OECD

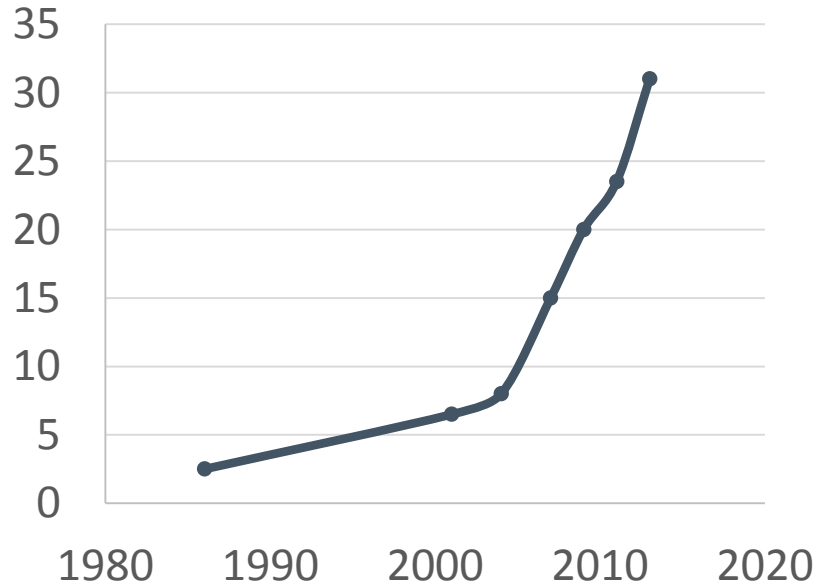


# Growth of Agricultural Insurance Programs

## Premium volume

\$ billion

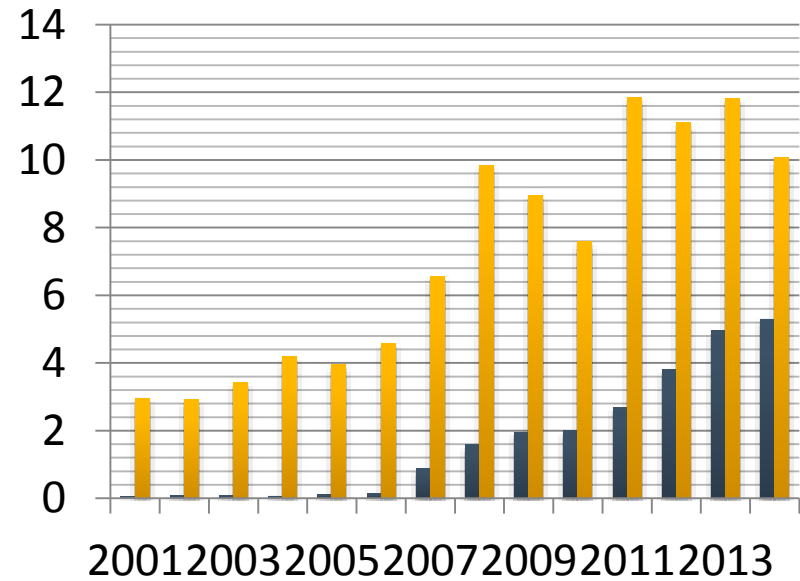
World



Source: Glauber 2015

\$ billion

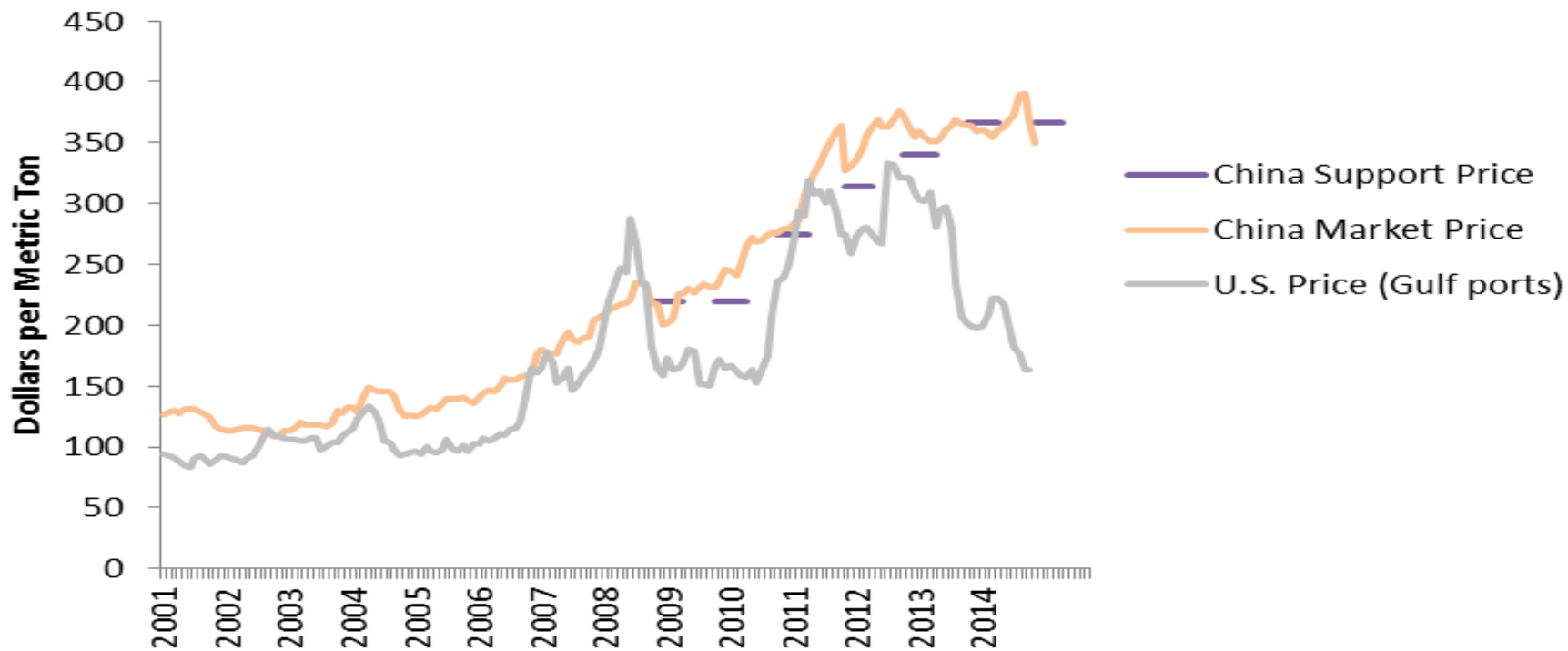
China US

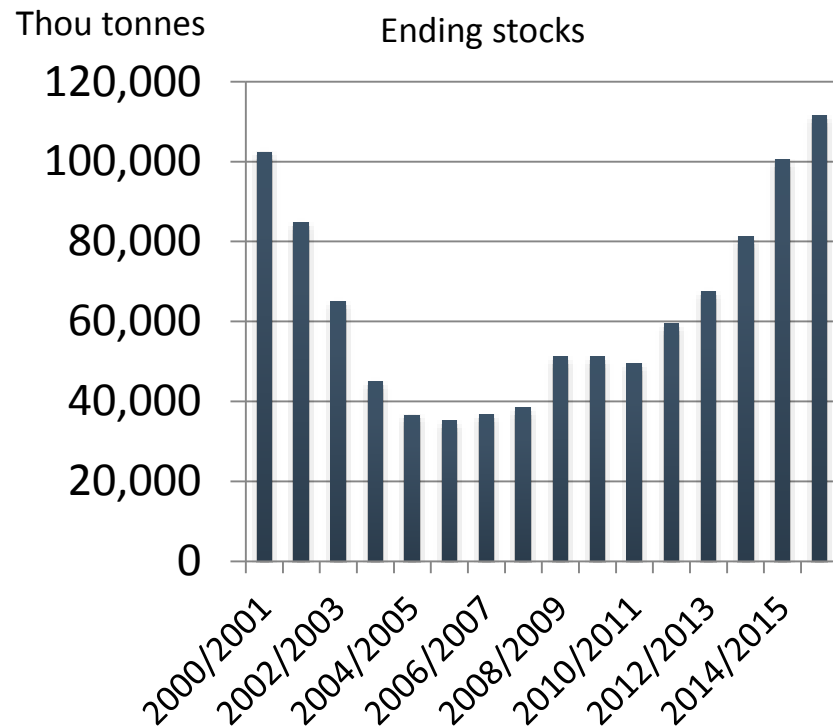
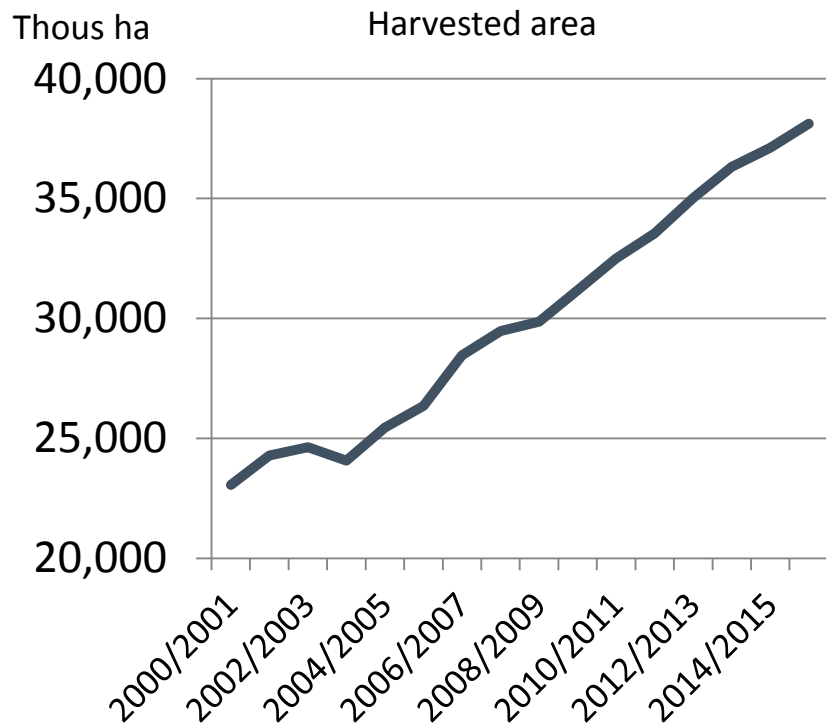


Source: Glauber 2015



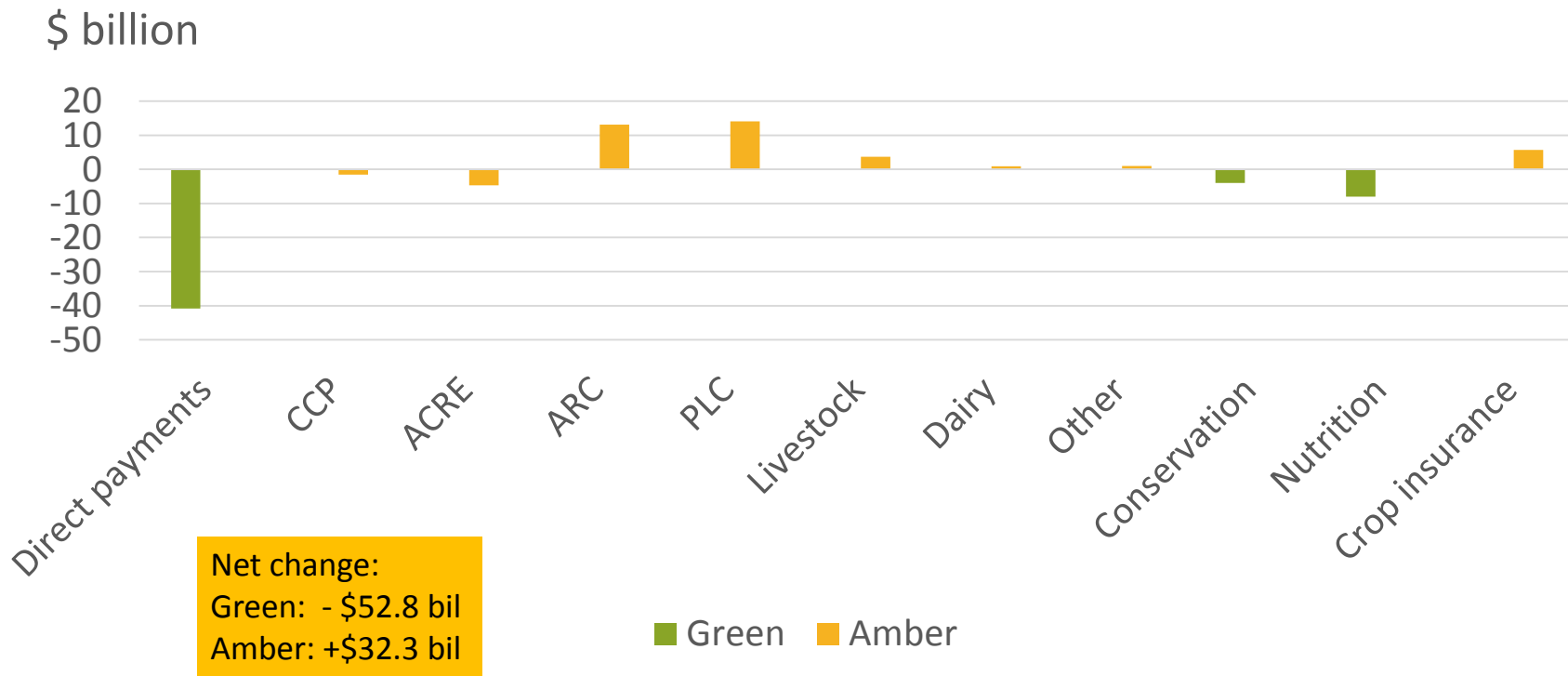
# China corn support







# Estimated change in outlays, FY 2014-23, by WTO classification under 2014 farm bill



Source: Glauber and Westhoff 2016

# Implications for the WTO

- Do new mega-regionals establish standards for global trade?
- Multi-lateralize mega-regionals?
  - Expansion to TPP: Indonesia, Philippines, Korea, ...
  - China? India??
  - Brazil
  - LDCs
- If inclusive, brought into the WTO
- If exclusive, does WTO primary role becomes dispute resolution?
- What if TPP fails to be ratified?



## With no agreement on domestic support, dispute settlement likely venue for addressing adverse trade effects

- *US—Upland Cotton*
- *US—Country of Origin Labeling*
- 2014 farm bill:
  - Peanuts
  - Soybeans
  - ARC/PLC for cottonseed
- Developing country subsidies