

The Influence of the Developing Countries in  
the Multilateral Trade Negotiations  
of the WTO Doha Round  
A Comparative and Theory Testing Study

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# Abstract

The WTO Doha Round illustrates the conflict of unequal distribution of influence between the developing and developed countries in multilateral trade negotiations and the changing of power relations over time. This thesis analyzes and explains how the developing countries have influenced the multilateral trade negotiations of the WTO Doha Round using a model of analysis testing and comparing realist and constructivist theories.

The realist theory explains the increased cooperation among the developing countries as a way of gaining influence. Their structural weaknesses have driven the developing countries to change the international trade regime by securing a more authoritative regime by changing their power behaviour within the regime. The realist explanation emphasizes the structural variables as constraining the change of regime and of the influence of developing countries, thus making it better at explaining why this change has happened.

The constructivist theory explains how the re-thinking and changing of trading rules, roles and behaviour of the developing countries creates a collective identity as multilateral trader and participant instead of protectionist and opponent. This leads to the change in the distribution of influence and power in the international trading regime. The constructivist explanation thereby emphasizes regime change as a social process and thus has an advantage in explaining how the developing countries have gained influence.

*Key words:* WTO, Multilateral Trade Negotiations, Developing Countries, Influence, Regime Change

*Characters:* 83.822

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# 1 Introduction and Method

The first chapter of the thesis describes the elements of what, how and why, implied in the principle aspects of the thesis. This involves the introduction of and methodical explanations of the field of research, the use of theory and the empirical examination relevant to the analysis.

## 1.1 Field of Research

The topic of multilateral trade negotiations is a particular element of the field of international political economy, by being a political forum in which country representatives meet to negotiate the issues of the world's economy related to trade. Multilateral trade negotiations have a great influence and impact, today and through out history, on the economic and political situation and development of the individual states, which is not that commonly realised.

In the multilateral trade negotiations the World Trade Organisation, WTO is a very important intergovernmental organization and forum, often viewed as the representative of the international trading regime. WTO was created as part of the Uruguay Round from 1986-1994, as the follower of the GATT, General Agreement of Tariffs and Trade. The WTO is based on the principle of non preferential treatment, referred to as most-favoured-nation status, reciprocity, and the acceptance of temporary exceptions. The objective of the WTO is thereby to establish a rule-based international trading regime (Frieden and Lake, 2004, 299-300, Das, 2005, 2).

Through out the history of the international trading regime and the WTO system there have been many multilateral trade negotiations ending with mutual agreements on opening up of the world economy and through liberalization increasing the aspect of free trade globally. But for the first time ever, the multilateral trade negotiations of the WTO Doha Round, begun in Doha Qatar in 2001, ended in deadlock at the Ministerial Conference in Cancún, Mexico in September 2003, mainly due to a fierce disagreement on the elimination of agricultural subsidies and on the setting of new rules for foreign investment (WTO, 2004, 91, BBC, 2003, "World trade talks collapse", WTO, 2003,"Ministerial Statement Cancún").

The aim of the Doha Round when the members of the WTO met in November 2001 was agree on an agenda and programme to bring the developing countries more closely into the international trading regime in order to improve the situation

of world poverty. This became the Doha Development Agenda intending to start multilateral trade negotiations on opening of world markets to agriculture and manufactured goods focusing on the developing countries, as a way of overcoming a great divide between the developed and developing countries (Schifferes, 2005, BBC, 2004, "WTO trade breakthrough").

The wide range of views and interests among the member states in WTO makes the negotiations difficult and is closely connected to the difference in power and influence between the countries in the WTO system. Here the biggest difference is seen between developed and developing countries of the WTO, being the industrialised countries as the US, the EU states plus Japan referred to as one group and the countries, formerly referred to as the South, mainly from Africa, Latin and South America and Asia as the other group. The division of states is always difficult to make and there is no official way of categorizing these countries in the WTO, or in general different categories and ways of labelling these states are used and discussed. In this thesis the categories developing and developed will be used, when referring to the groups of countries just mentioned, knowing that they are not homogeneous and have contextual differences. But when examining this controversy, this form of divide is used as a way of categorising the differences between countries, when it comes to general views and interests in the WTO.

The structure of the WTO has a very large influence on the multilateral trade negotiations. The rules have been defined through time by the developed countries and have to a large degree controlled the decisions on trade agreements, but since more than 75% of the member states of the WTO today are developing countries, the structure of the international trading system is changing. Officially all members of the WTO are considered equal – one country, one vote – and most decisions are made by consensus. But in practice the situation is not equal in multilateral trade negotiations, since the decision-making process is often controlled by the developed countries, due to their economic strength and administrative resources. These countries therefore still have the advantage when it comes to influence and control in multilateral trade negotiations, making them able to push for their agenda and getting the developing countries to sign the agreement they favour (WTO, 2004, 12, Hoekman in Hoekman et al., 2002, 41-48).

As mentioned earlier, changes are coming along and the influence of the developing countries within the international trading regime is different and greater today, which is seen in the WTO Doha Round, and especially at the Ministerial Conference in Cancún in 2003. There a group of developing countries opposed to follow the agenda of the developed countries and made proposals of their own, especially concerning agriculture, and they also blocked the introduction of some new issues made by the developed countries concerning rules for foreign investment (Das, 2005, 22, WTO, 2004, 77-80, 84). Not being able to find an agreement to the long standing conflict between the developing and developed countries, evolving over time and becoming evident in Cancún, the multilateral trade negotiations of the Doha Round ended with stalemate and

deadlock. The interesting element in why this change has happened is how the power relations of the multilateral trade negotiations have been influenced by the developing countries, shown in the process and outcome of the WTO Doha Round, which can be examined from different theoretical angles. This leads to a concrete research question, being:

How have the developing countries influenced the multilateral trade negotiations of the WTO Doha Round?

When examining this research question it is also important to take the time frame into account, since the aspect of influence and the process of the multilateral trade negotiations have changed over time. The time frame extends from the ending of the Uruguay Round in 1994 over the following Ministerial Conferences in the WTO in Singapore in 1996, Geneva in 1998 and Seattle in 1999 coming to the Doha Round in 2001. The main period of time of this thesis will be the proceedings of the Doha Round at the Ministerial Conference in Cancún in 2003. Furthermore is the continuation in Geneva in 2004 leading to the upcoming Ministerial Conference in Hong Kong in December 2005, set to be the conclusion of the Doha Round (WTO, 2005, “Ministerial Statements”).

With this presentation of the field of research and the research question the following parts of the first chapter involves how and why this is to be examined concerning the theoretical and empirical elements of the research of the thesis.

## 1.2 Use of Theory

This part of the first chapter introduces and delimitates the theories used and describes the scientific perspectives, including the issues of actor/structure, subject/object and the ontology and epistemology. Finally, the model of analysis is described, including how the theories are to be used in practice, and the purpose of the analysis, related to answering the research questions.

### 1.2.1 Theoretical Introduction and Delimitation

The research question can be examined theoretically from several international political economic angles, including the traditional approaches of realism, liberalism and Marxism, focusing on the interests of states in terms of economic power and material power within the international trading regime and the multilateral trade negotiations. These approaches, though with different emphasis and context, mainly explain the current structure of the international trading regime and are suited to describe less on the changing of and within the regime.

Though a realist, Stephen Krasner explores the changing the international trading regime in his book “Structural Conflict” from 1985. His emphasis as a realist is on power and control, but not on economics at the expense of politics, which is clearly seen through his statement that developing countries want power and control as much as wealth (Krasner, 1985, 3). This theoretical approach as a way to answer the research question is therefore very relevant since it has a realist foundation, concerned with the states' vulnerabilities and threats, when it comes to the general approach to international trading regimes, but with the focus on explaining the related changes seen through the perspective of the influence of the developing countries.

Another alternative theoretical approach is found in social theory, which takes a totally different angle when explaining the behaviour and interests of states in the international trading regime, focusing directly on the process through which identities and interests are formed and changed. This constructivist approach seen in Jane Ford's “A Social Theory of the WTO” from 2003 is therefore a clear contrast to the realist perspective seen in Krasner, since she recognizes the interests of states do not exist independently of interaction (Ford, 2003, 15).

It is therefore chosen to analyze the process of multilateral trade negotiations in the Doha Round with the focus of the influence of the developing countries explained from the theoretical perspectives of realism and constructivism. Therefore another research question is included in order to test these two theoretical explanations as a way of answering the first research question on how the developing countries have influenced the multilateral trade negotiations of the WTO Doha Round.

Which of the two theories constructivist and realist are best at explaining the influence of the developing countries in the multilateral trade negotiations of the WTO Doha Round?

The two different theoretical perspectives, found in Krasner's “Structural Conflict” from 1985 and Jane Ford's “A Social Theory of the WTO” from 2003 respectively, have the common element of both examining the changing of power and influence within and of the international trading regime, making them relevant and useful in a comparative model of analysis. The interesting aspect of the comparison of these two theoretical perspectives is their different line of approach to how this can be explained.

Krasner's view on how to explain the changing of power and influence within and of the international trading regime emphasizes the cooperation among developing countries as a way of gaining influence, which is connected to the status of the hegemonic power of the international trading regime. So from Krasner's realistic perspective the behaviour of states and the changes herein are determined by the states' relative power capabilities. The goal for the developing countries, as a way of gaining influence and maximizing their power in multilateral trade negotiations, is therefore to secure the international trading

regime ensuring authoritative rather than market allocation of resources (Krasner, 1985, 9-12).

Jane Ford's social theoretical approach starts out with the position that states without material power have little influence and power in the international trading regime and the WTO. But this has changed through the recent multilateral trade negotiations in the WTO, which can be seen as a change in trading culture and roles. Being a constructivist perspective Ford explains the forming of a new collective identity for developing countries as multilateral traders in favour of the WTO system and free trade through liberalization by interaction within the WTO. The use of social theory suggests that "as states continuously construct their identities and interests through representational practices, all states have the potential to change the meanings that construct power in a social context." (Ford, 2003, ix-xi).

When using these two theories there are certain theoretical constraints relevant to consider. Krasner's "Structural Conflict" is from 1985 and thus focuses on the New International Order, which means that many issues have changed when it comes to the international trading regime and multilateral trade negotiations since then. But the fact that makes Krasner's theoretical approach relevant and useful is, that he investigates the developing countries' efforts to secure control and wealth through the establishment of international regimes that legitimize authoritative rather than market allocation, which is just as relevant today as in 1985 (Krasner, 1985, 14). So even though his theoretical explanations are seen within a different time frame and context, they can still be used as general realist interpretations of influence, power and the changing of the international trading regime related to the topic of multilateral trade negotiations today in the WTO, as long as they are seen in the current international political economic context.

### 1.2.2 Scientific Perspectives

The scientific approach to the topic in hand is very much influenced by the way you choose to analyze it and also through what kind of glasses you look. So the scientific perspectives are related to the problem, the method, including the use of theory and the model of analysis and the theories themselves. The scientific perspectives also encompass the discussion of the subject/object, the actor/structure and finally the ontology and epistemology.

When using a theory-testing comparative model of analysis, you are directly linked to the specific scientific approach incorporated in the theories, and at the same time you have to analyze the research question from more than one scientific perspective when applying a comparative model of analysis, in this case two scientific perspectives. Therefore, in this case there is not one way of analyzing the topic of multilateral trade negotiations. The scientific perspective must then be shifted depending on the theoretical approach at hand, making the scientific glasses that you wear change to stay faithful to the two theories. The basis of the scientific approach therefore lies in a scientific discussion of the

realist and constructivist scientific perspectives. The differences of the two theories are based on the scientific differences, which are very influential and essential for the comparative analysis and the answering of the research questions. A basic scientific difference between the realist and constructivist perspective is how to emphasize the actor and the structure, and it is therefore relevant to discuss the emphasis of the actor and structure.

The scientific perspective found in Krasner's realist approach to international political economy sees the states as the basic actors in the international trading regime, but the states are influenced and constrained by structural issues, being the distribution of power in the international trading regime and the place of a given state in that distribution, which also makes it a structural approach (Krasner, 1985, 28). When it comes to creation and change of the international trading regime, Krasner acknowledges the importance of the political power of the states in the creation of regimes. Once the regime is established, states with less political power may influence the regime, if the regime has rules of open access. Krasner explains that the developing countries cannot establish new regimes from scratch, but they are able to change existing regimes significantly (Krasner, 1985, 29). This approach makes it a modified realist and structural perspective, viewing the actors as having some influence within the structure of the international trading regime, instead of none.

So from Krasner's realist and structural perspective of science, conflict between developed and developing countries is based on the unequal distribution of power and the disparity in national power capability. Therefore the only way to change the international trading regime is for the states as actors to change the structure of the system (Krasner, 1985, 271).

The scientific perspective of Ford's theory is based on the element of social theory as a way of explaining regime change (Ford, 2003, 14). The fundamental scientific aspect is the fact that actors can influence regimes and vice versa through their behaviour, interaction and the construction of identity. Thereby regimes are seen as structures that can be constructed by states as actors, even the ones with less material power capabilities (Ford, 2003, 34-5). So the emphasis on the states and structures being mutually constituted and able to reproduce each other makes it a constructivist perspective, seeing the states and regime structures as social constructions. With the use of Ford's theoretical approach the constructivist perspective furthermore focuses on states being the actors changing the structures of the regime from the inside. This is connected with the view that the role and identity of states are defined and generated by interaction with other states within the structure of the regime. Furthermore this is related to the constructivist perspective that regimes not only change how power is exercised, but they can change the meaning of power in a given social setting (Ford, 2003, 34-5).

Finally, in a constructivist approach the international trading regime is seen as a collective understanding, where actors learn their trading identity or are socialized by the structures of the international trading regime. In recognizing the international trading regime as a structure of ideas and stating that this structure

and the states involved are continuously mutually constructed, this scientific perspective provides a new way of looking at change in the international trading regime (Ford, 2003, 35, 38).

The difference between realism and constructivism is that the realists mainly focus on the material circumstances of the states as a means of explaining the interests of some states, while constructivists are more focused on the processes that create an understanding of the states' self interest and identity (Ford, 2003, 14-5). But the two different scientific perspectives both focus on the state as an actor in the international trading regime, the realist perspective views states as the only constitutive element of the international system influenced and constrained by the structure (Krasner, 1985, 26,28), while the constructivist perspective sees states and structures as continuously mutually constructed (Ford, 2003, 38).

So the scientific differences lies in to what degree you ascribe the actor the ability to change the societal relations and how the structure dominates the societal relations, plus how the actor and structure affect each other. Here, the main difference between the realist and constructivist emphasis on the actor and structure is that the constructivist perspective ascribes the actor a greater ability to change the outcome of the multilateral trade negotiations and the international trading regime than the realist and structural perspective found in Krasner. Krasner views the structure as more dominating and constraining for the actors in the multilateral trade negotiations in the international trading regime. Finally, the constructivist perspective sees the actor and structure, as mentioned earlier, as mutually constituted and therefore influencing each other, where the realist and structural perspective emphasizes the influence of the structure on the actors, but sees the possibility of the actors to influence the structure.

My scientific perspective is therefore that, the actors do not totally control the societal changes, but on the other hand the society does not consist of totally controlling structures, where the societal changes only are possible with the structures themselves.

This leads to the discussion of whether the societal reality exists objectively, or whether everything is dependent of the subjective perception of reality. Realism emphasizes that the societal relations exist independent of the researcher and are open to change, and that a real world therefore exists outside of the theories, and that this can only be observed with the help of already existing theories. So from a realist perspective, the perception of the world is constantly changing, but realism is still objective, since it maintains the possibility that theories can be tested from absolute criteria (Bitsch Olsen and Pedersen, 2003, 155, Bitsch Olsen and Fuglsang, 2004, 146). Constructivism on the other hand states that knowledge and cognition are not direct reflections of reality, but a construction of reality, emphasizing a certain subjective perspective, but not a totally relativistic perception, where reality and truth are always subjective and all views are true (Bitsch Olsen and Fuglsang, 2004, 351, 379, 381).

These scientific elements are influential to the ontology, being what the world consists of and the perception thereof, and the epistemology, encompassing how the world is studied and the knowledge thereof, seen as the theory of knowledge

(Bitsch Olsen and Fuglsang, 2004, 20-30). There is an ontological difference between realism and constructivism concerning the matter of essentialism or anti-essentialism, but they both presuppose the existence of a physical world. The constructivist perspective sees the world as not encompassing a certain meaning in itself and having a given nature influencing the actors and the structure, but that they all are constructed elements of social processes (Bitsch Olsen and Fuglsang, 2004, 351). The realist perspective on the other hand sees a certain essence and a given reason in the nature of the social world and reality (Bitsch Olsen and Fuglsang, 2004, 152). Epistemologically the constructivist rejects the possibility of an objective truth, but acknowledges the perspective of criteria regulating what is true and false, while the realist seeks the objective truth, but the critical and modified realist recognizes the truth as relative and contextual (Bitsch Olsen and Pedersen, 2003, 143).

So with these two opposite scientific perspectives, my scientific view and approach is therefore that the relation between the subjectively constructed and the realist objective is dialectical, assuming an objective world, but on the other hand also assuming a subjective perception of the world. The reality can therefore both be objectively observed and have a subjective symbolic meaning.

### 1.2.3 Model of Analysis

The model of analysis encompasses what the analysis should be used for, seen as the purpose of the analysis, and the basis of the analysis, having either a theoretical or empirical foundation (Rienecker and Stray Jørgensen, 2002, 293). These elements are all directly related to the research question, having a descriptive and explanatory purpose, which also applies to the purpose of the analysis. This makes it a descriptive and explanatory type of analysis, where the purpose of cognition is to understand the deadlock of the WTO Doha Round and explain how the developing countries have influenced the WTO Doha Round, and which of the two theories constructivist and realist are best at explaining the multilateral trade negotiations of the WTO Doha Round.

As a way of doing so, I have as previously described chosen to test two theories, focusing on explaining the changes of influence and power relations within the international trading regime, as a comparative model of analysis. In doing so, the theoretical concepts and system of terminology are applied to structure and control the choice of the empirical material, which is linked to the purpose of the model of analysis and the empirical material available.

With a comparative model of analysis, which is theory testing, the use of theory in practice is as indicated to test the two different theoretical approaches when analyzing and then compare them in a theoretical discussion. This kind of approach is a deductive model of analysis, where the basis of the analysis is a theoretical foundation, with the purpose of deducing empirical regularities based on the theories in a form of testing. Deduction is thereby a way of drawing a

conclusion from empirical observations based on theoretical rules and concepts (Bitsch Olsen and Pedersen, 2003, 151, 314).

## 1.3 Empirical Examination

This part of the method introduces the kind of empirical examination and describes how and with what research strategy the empirical material is examined. Furthermore this methodical part includes a description of the kind of empirical material that has been available and what consequences this has. It also describes how and why the empirical material has been chosen. Choosing a research strategy involves the choices of comparative, statistical, text and case study as the way to analyze the research questions.

### 1.3.1 Empirical Material

Regarding empirical examination it is an important factor to define the specific material to be used in answering the research questions at hand. As the research questions of this thesis explore the recent topic of the multilateral trade negotiations in the WTO Doha Round, beginning in 2001, and with the focus of the Cancún Ministerial Conference in 2003, there is a limited amount of research and books on the topic available. Therefore this kind of empirical material cannot be the only and primary empirical source. The use of media material is an option to obtain empirical sources more up to date with the current situation and developments. The most reliable sources that can tell the most about recent events include WTO press release material and statements as well as the specific declarations and documents of the WTO multilateral trade negotiations from the time period leading up to the Doha Round, and especially related to the Cancún Ministerial Conference in 2003. Furthermore news articles concerning the topic will also be used as empirical material, so that the issues of the multilateral trade negotiations can be negotiated from more than the perspective of the WTO. The important aspect with the use of empirical material, is to try to have more than one source of information in order to make it reliable and getting a broader view of the situation.

The secondary empirical material concerns the views of and research on the influence of the developing countries in this matter written over time by different political scientist in the field, especially the ones directly examining the Doha Round and the Cancún Ministerial Conference.

These sources of empirical material being as they are imply that the analysis takes the form of an examination of text documents, making it a qualitative empirical examination, where the data contains words and their meaning. This

form of empirical examination is used to interpret and analyze processes and consequences within the purpose of giving a unique and consistent answer to the research questions (Bitsch Olsen and Pedersen, 2003, 188, 236-7).

### 1.3.2 Research Strategy

With this use and perspective on the empirical material it is important to determine the research strategy, and here there are different approaches to consider, comparative, statistical, text, and case study.

The research strategy relevant to the research questions and line of approach does not involve a comparative empirical research strategy, since empirical material is not compared. But the method of theoretical comparison is used implied in the comparative theoretical model of analysis, explained earlier.

An important element of the research strategy is text analysis due to the choice of empirical material, the use of qualitative data, and the perspective of research. Therefore the use of statistics is not directly relevant, in this analysis of the influence of the developing countries.

The qualitative perspective of the research strategy lies in the emphasis on the description and understanding of relations, and the construction of identities, which is exactly what the research questions at hand, is to explore. This qualitative research strategy therefore seeks to explore models that can explain the issues, you want to examine and interpret, making a qualitative case study highly relevant as a way of viewing examples to illustrate a more general point (Bitsch Olsen and Pedersen, 2003, 152). So the research strategy encompasses the Doha Round as a case study of multilateral trade negotiations, seeing the Doha Round as a case where the focus of development and developing countries has first been stated, referring to the aspect that this round is called the Doha Development Agenda. But since multilateral trade negotiations have being conducted through out the history of the GATT and the WTO, including these aspects to some degree, it is not an unique case but more in the line of a case where the issue of development and the influence of the developing countries have been greater than seen before.

With a case like this it is important to be aware of the aspect of generalization. This specific case is an example of conflict and deadlock in the WTO, being the unique element of the case, with a focus on the influence of the developing countries, greater than ever before. By being a qualitative case study, based on the text analysis of statements and declarations, and not a statistical case study, including many sets of statistical data tests, it can be difficult to generalize on this basis. Rather, it is a case that exemplifies a situation of conflict and deadlock within the WTO with the focus of the rising influence of the developing countries.

## 1.4 Summary

The chapter of introduction and method have presented the field of research concerning the power relations and conflict within the international trading regime connected with the influence of the developing countries in the multilateral trade negotiations of the WTO Doha Round.

Furthermore the two theories realist and constructivist have been introduced, followed by the methodical explanations of the use of theory, and the scientific perspectives differing on the aspect of the emphasis of the actor and structure and also on the matter of essentialism/anti-essentialism and objectivism/subjectivism.

The empirical examination and the research strategy is a qualitative case study emphasizing text analysis of the empirical material as a blend of media and research sources, examining views, statements and declarations related to the multilateral trade negotiations of the Doha Round, in order to analyze the research questions, which is to explore the influence of the developing countries in a situation of conflict and deadlock in the WTO.

Before doing so it is relevant to state the research questions in full:

### 1.4.1 Research Questions

How have the developing countries influenced the multilateral trade negotiations of the WTO Doha Round?

Which of the two theories constructivist and realist are best at explaining the multilateral trade negotiations of the WTO Doha Round?

The comparative model of analysis of the thesis is therefore a theory testing of the two theories constructivist and realist, having an explanatory purpose and a deductive perspective.

The specific elements of analysis can then be described as analyzing one theory at a time, beginning with the constructivist and then taking the realist approach. Both analyses include the use of theory in an integrated way when analyzing the empirical material. There is therefore no separate chapter explaining the two theories before analyzing them.

Following the two chapters of the constructivist and realist analysis is a chapter comparing these two. This chapter involves my own comments and arguments in a form of theoretical comparative discussion ending with the final conclusion of the total analysis and the answer to the research questions. The last conclusive part includes thoughts regarding further theoretical and analytical perspectives, if I were to continue the research.

## 2 Constructivist Analysis

The second chapter encompasses the constructivist analysis, which explains how the power relations have changed concerning how the developing countries have influenced the multilateral trade negotiations of the WTO Doha Round. The structure of the analysis is based on the theoretical elements implied in the deductive aspect of the model of analysis.

### 2.1 Analysis of the Influence of the Developing Countries

The constructivist approach in Ford's social theory focuses on explaining regime change through interaction and change of behaviour, as the way of gaining influence for the developing countries in the WTO. Change is seen as a redefinition of their identity in the international trading regime with the aim of becoming a part of the role and culture of the multilateral trading identity, and in doing so changing the culture of the international trading regime and their influence within it (Ford, 2003, 14-15). This change was seen in the active participation of the developing countries in the Doha Round, where they showed a high level of preparation for the negotiations, including the preparation of drafts and proposals. Initiative was taken by Brazil, China, India and South Africa to form an alliance of developing countries in 1999, which became the G-21<sup>1</sup> before the fifth Ministerial Conference in Cancún. Another group of developing countries is the G-99 of least developed countries, who also took initiative to influence the agenda setting of the Doha Round, proposing the negotiation of the implementation problems of the Uruguay Round, improved market access, special and differential treatment, and the reduction of the industrial tariffs (Das, 2005, 22, 63).

When explaining the influence of the developing countries, Ford emphasizes the theoretical elements concerning the re-thinking of trade rules, the changing of trading roles, the creation of a collective identity, the changing of the distribution of influence and the re-thinking of the power of the international trading regime.

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<sup>1</sup> Today being the countries Argentina, Bolivia, Brazil, Chile, China, Colombia, Costa Rica, Cuba, Ecuador, Egypt, Guatemala, India, Indonesia, Mexico, Nigeria, Pakistan, Paraguay, Peru, Philippines, South Africa, Thailand and Venezuela. (Das, 2005, 207)

### 2.1.1 Systemic Conditions

Before analyzing these aspects it is relevant to look at the systemic conditions of the international trading regime that Ford introduces, since these conditions cause states to change behaviour and identity, and it is the subjective understanding of these conditions that constitutes the collective identity. These are the levels of interdependence, common fate, homogeneity and self-restraint (Ford, 2003, 38).

Developing countries began, for a variety of reasons, even in the Uruguay Round, to identify their own interests with those of others in the international trading regime and became more homogenous with respect to their trading behaviour (Ford, 2003, 55-6). The developing countries had thereby recognized that they were increasingly interdependent and homogenous with respect to their political economic policies, and shared a common fate and need for self-restraint, which changed their collective perception of trade (Ford, 2003, 170). So the formation of coalitions seen in the Doha Round is due to the identification of similar minded states, seeing trade as a way of fighting poverty, which is illustrated through the demand for protection of special products crucial to the survival of the developing countries, which was achieved in Geneva after the collapse of the multilateral trade negotiations in Cancún (O'Brien, 2003, Walker, 2004, BBC, 2004, "WTO trade breakthrough"). The issue of self-restraint was exercised by the G-21 at Cancún, and they were able to function as a negotiating coalition although their negotiating positions not always were the same on a national state level (Das, 2005, 77, Narlikar, 2003, 27). By doing so, they created a unity not possible to break and strengthened their influence in the multilateral trade negotiations of the WTO Doha Round.

### 2.1.2 Re-thinking of the Trade Rules

These four systemic conditions are connected to the re-thinking of trade rules, based on the creation of a culture of deep multilateralism, being a common collective interest in multilateral liberalization within the WTO. This change started with the shift from the trade rules of the GATT to the WTO, where the trade rules are based on neoclassical economics and legalism, not preferring great powers to the same extent as the GATT, and thus creating a stronger rule-based system. The culture of multilateralism changed the relationship between states with respect to their influence, which created a new trading identity for the developing countries as a reciprocal trader (Ford, 2003, 41-45, 61).

Re-thinking of the trade rules in the Doha Round began after the significant concessions the developing countries made in the Uruguay Round, where they submitted declarations stating that they would not follow any consensus reached without their effective participation (Tussie and Lengyel in Hoekman et al., 2002, 491). The perception of the trading rules where thereby changed with the developing countries influencing the agenda setting and the mechanism of multilateral trade negotiations, through the following the trade rules of

multilateralism instead of opposing them as seen before. That way the developing countries became more equivalent participants in the international trading regime and thereby enforced the rules and principles of the WTO concerning free trade through liberalization, non-discrimination through reciprocity, the status of most-favoured nation, and the dispute settlements to secure the legal binding rules of the WTO (WTO, 2004, 10-1).

### 2.1.3 Changing of the Trading Roles

Another aspect of explaining the influence of the developing countries is the changing of trading roles, where the developing countries have changed their role from opponent to participant of the multilateral trading regime. Developing countries changed their role as outsiders of the multilateral trade regime by focusing on the improvement of access to trade, rather than restricting trade (Ford, 2003, 94-7).

The changing of trading roles is due to the changing comparative advantages, which accounted for the growing importance of the developing countries in the world trade, and the increase in the interdependence between the developed and developing countries (Ford, 2003, 104). The change of trading roles is also affected by the fact that 75% of the WTO members today are developing countries, giving them a strong voice in being the majority. Thereby they have increased their influence by organizing themselves in alliances, seen in their increased participation in the Doha Round pressing for fundamental reforms in agricultural trade, phasing out of quotas on exports from developing countries, reducing custom duties on industrial products, and expanding the products having bound levels of customs duty rates. They also insisted on the negotiation of the implementation problems from the Uruguay Round, including the request for increased technical assistance in order to advance the capacity of developing countries to participate more effectively in future multilateral trade negotiations (WTO, 2004, 77-9, 93, 97-8).

### 2.1.4 Creation of a Collective Identity

The aspect of the changing of the economic policy towards trade liberalization within the developing countries has also played an important part in the changing of their role, with the focus on pro-trade strategies helping to change the understanding of the identities of the developing countries. The experience of the developing countries that protectionism can hurt development, helped change their view on the liberalization of trade, creating a more pro-trade identity (Ford, 2003, 109-11). So the adoption of pro-trade policies created a collective identity for developing countries as multilateral traders, changing the culture of the international trading regime, and also changing the role and identity of the

developed countries, thus increasing the influence of the developing countries in the multilateral trade negotiations (Ford, 2003, 116-7, 131).

In the Doha Round, the importance of coalitions as a way of gaining advantages in the multilateral trade negotiations is seen clearly, and this interaction redefines and changes the identities and interests of the developing countries. The alliances of the developing countries are based on shared issues, such as agricultural trade, especially the elimination of the export subsidies of the developed countries, and the blocking of the Singapore issues concerning the rules on foreign investment (Das, 2005, 64, Narlikar, 2003, 2, 27, 202). The developing countries with their collective identity as multilateral traders started negotiating on their terms through different types of coalitions, such as agenda setting, proposal making, and blocking, in order to maximize their bargaining power (Hoekman and Kostecki, 2001, 119). For the first time the developing countries increased their influence through these coalitions due to their collective identity based on shared issues and interests, and thereby played a bigger role in the Doha Round, refusing to sign an agreement in Cancún, which they felt favoured the developed countries of the WTO (Schifferes, 2005, BBC, 2004, “WTO trade breakthrough”).

With the creation of a new trading identity, and by the re-thinking of their interests in the multilateral trade negotiations, and then supporting trade liberalization instead of opposing it, the developing countries formed a greater collective identity as multilateral traders instead of protectionists.

### 2.1.5 Changing of the Distribution of Influence

The change in identity of the developing countries has led to a change in the culture of the international trading regime, increasing the multilateral aspect of trade between the developing and developed countries of the WTO (Ford, 2003, 117).

In the Doha Round it has become visible that the developing countries have accepted a rule-based system, and their commitment to stronger rules enforcing market discipline has helped change the international trading regime from embedded to disembedded liberalism. The shift in influence from the great economic powers to the majority of members has created a new distribution of influence within the WTO, favouring countries with fewer material means (Ford, 2003, 120-1, 130-1). This change has happened since the Ministerial Conference in Seattle in 1999, where the decline of the influence of the developed countries was a factor in the failure to start the next round in the WTO after the Uruguay Round. Together with the increasing number of developing countries in the WTO, strengthening their representation and influence, this has changed the power structure in the WTO (Das, 2005, 21). In Cancún the emerging of the G-21 has helped also to change the dynamics and balance of power within the WTO (Campolina Soares, 2003). The change of influence is also clear today in the period leading to the sixth Ministerial Conference in Hong Kong, where the US has made a significant offer concerning export subsidies, which shows the

growing influence of the developing countries standing their ground on this issue and thereby pushing the US to make new concessions (Schifferes, 2005).

### 2.1.6 Re-thinking of Power in the International Trading Regime

The developing countries have also redefined the power structure within the WTO through the use of legalism and the principle of trade liberalization to oppose the attempts of more powerful countries to legitimize protectionism. This has changed the role of the actors supporting protectionism from the developing countries towards the developed countries now opposing trade liberalization to some extent. This re-thinking of power in the international trading regime has been a shift from a system of power politics to one of legalism (Ford, 2003, 160, 181).

The change of influence and power in the Doha Round is evident with the developing countries insisting on negotiating the effective changes concerning the already implemented issues from the Uruguay Round and reforming the earlier agreements in relation to agricultural issues. It is also seen in the ability of the developing countries to include new issues in the negotiations, such as the Singapore issues concerning foreign investment, competition policies, trade facilitation and government procurement, showing that the developing countries now have real power in the WTO (BBC, 2003, "Tough talking at trade summit", BBC, 2003, "Why did trade talks collapse?").

The increased influence of the developing countries in the multilateral trade negotiations of the Doha Round through regime change has led to an outcome achieved after the deadlock in Cancún with a breakthrough in Geneva 2004. In the Doha Ministerial Declaration of the 14th November 2001 it was stated that the Singapore issues was to be negotiated after the Ministerial Conference in Cancún in 2003, which remained the outcome through out the negotiations in Cancún and were not touched until Geneva 2004, due to the influence of the developing countries. When it comes to the issue of agriculture, the developing countries have influenced the negotiations, regarding the commitments of the Doha Ministerial Declaration concerning the reduction of export subsidies, with the agreement in Geneva 2004 on the elimination of all export subsidies at a date to be found (WTO, 2001, Doha Ministerial Declaration, WTO, 2004, Geneva Ministerial Declaration). These are some of the main issues of interest for the developing countries where their influence has been influential in the multilateral trade negotiations of the Doha Round, but also the issues of special and differential treatment and increased technical assistance connected with the implementation of the WTO obligations have been influenced. The final outcome of the WTO Doha Round showing the influence of the developing countries are the setting of the date for elimination of agricultural export subsidies by 2014 at the end of the sixth Ministerial Conference in Hong Kong in December 2005, being the main issue the developing countries have been insisting on through out the Doha Round. So their increased influence have had an effect on the outcome, even though the developing countries supported the elimination to be set by 2010 (Møller, 2005).

These changes happening during the Doha Round show exactly how the developing countries have increased their influence through their re-thinking of trade rules, the changing of the trade roles, which created a new collective identity of the developing countries not seen before. The distribution of influence was thereby changed in the Doha Round, which also redefined the power structures of the multilateral trade negotiations in the WTO, giving the developing countries a greater power.

## 2.2 Conclusive Statements

The constructivist analysis of the influence of the developing countries explain how the developing countries have increased their influenced through change within the international trading regime.

The developing countries have gained this influence in the Doha Round by re-thinking the trade rules through their following of the WTO trade principles and thus strengthening the multilateralism of the WTO instead of opposing the trade rules. By doing so, they have changed their role of outsider and opponent to participant and multilateral trader within the WTO by focusing on improving their access to trade and thereby creating a pro-trade identity. These pro-trade identities of the developing countries have created a collective identity, which increases their influence through the coalition-building of alliances in the Doha Round. In this way they have been able to influence the agenda setting, insisting and pushing for their interests in the multilateral trade negotiations and creating a strong unity to stand against the developed countries forcing them to make concessions. This has shifted the distribution of influence within the international trading regime from the great economic powers, being the developed countries to the majority of the WTO members, being the developing countries. The emergence of coalitions of developing countries, especially the G-21, have redefined the power within the WTO from a regime of power politics to a regime emphasizing legalism and the rules of the WTO, increasing the influence of the developing countries.

## 3 Realist Analysis

The third chapter has most of the same integrated structure of theory and empirical material as the second in order to make the comparison of the two theoretical approaches of the analysis in the fourth chapter. The differences are implied in the different theoretical elements, being influential to the choice of empirical elements.

### 3.1 Analysis of the Influence of the Developing Countries

The realist theoretical elements are based on the focus of relative power capabilities in a system of states controlled by a hegemon. The international trading regime being defined and legitimized by the powerful states, without them the system will break down, thereby emphasizing the distribution of power within the international trading regime (Krasner, 1985, 10-12, 26).

The realist theory as described by Krasner explains how the developing countries have influenced the multilateral trade negotiations of the Doha Round through cooperation as a response to structural weaknesses, driving them to change the international trading regime by securing a more authoritative regime that would enhance both their wealth and control, either by relational or meta power behaviour (Krasner, 1985, 270). Together with three variables explained by Krasner as influential to the extent of change within the international trading regime as a way of gaining influence, these are the theoretical elements to be analyzed in the realist analysis (Krasner, 1985, 59).

#### 3.1.1 Increasing Cooperation

As mentioned before the WTO multilateral trade negotiations are a forum of multilateral cooperation, where the member states have equality in the way of one vote per country. According to Krasner, cooperation among the developing countries is the way to get influence, but the degree of influence is also influenced by the power of the developed countries, especially the hegemonic power, being a state possessing overwhelming military, economic and ideological power (Krasner, 1985, 9-10, 12).

In the Doha Round this increased cooperation took place in the form of alliances among the developing countries, being the G-21 and the G-90, where the power of the majority was the reason for the creation of the coalitions in order to increase their bargaining power enabling them to stand up against the developed countries and thereby affecting the process and outcome of the negotiations by participation (Das, 2005, 22, 35, Narlikar, 2003, 14). The cooperative relations of the developing countries are based on common interests and relative gains, which in the short terms leads to increasing cooperation (Krasner, 1985, 13). Among the interests of the developing countries bringing them together to pursue the relative gains through the multilateral trade negotiations of the Doha Round are the issues of implementation problems of the WTO obligations, the elimination of agricultural export subsidies and the need for other agricultural reforms. Other interests include the issues concerning special and differential treatment and improved market access, which became part of the Doha Development Agenda due to their increased cooperation (Narlikar, 2003, 184, 189, WTO, 2001, Doha Ministerial Declaration, WTO, 2004, 77, 79, 80, 84).

### 3.1.2 Structural Weaknesses

The increased cooperation is seen as a response to structural weaknesses, since the reason why developing countries have less influence in the international trading regime is their structural weakness encompassing their limited national power capabilities, their domestic structures and their limited administrative capacity. These structural weaknesses make the developing countries vulnerable to changes of the global economy and the international political system (Krasner, 1985, 38-41).

This is definitely a fact for the developing countries in the Doha Round, which can constrain their participation in the WTO, since they often are small economies, having limited export, plus limited human and institutional capacity (Oyejide in Hoekman et al., 2002, 504). But their increased cooperation through coalitions enable them to overcome some of these structural weaknesses, especially the domestic ones, but also effecting their regional and international weaknesses, by proposing and insisting on greater technical assistance in general and concerning the implementation obligations, and also the aspect of special and differential treatment giving the developing countries certain advantages such as longer time frames (Narlikar, 2003, 10-11, WTO, 2004, 79, 94, 96, Das, 2005, 97).

### 3.1.3 Changing the International Trading Regime

The extraordinary international weakness of virtually all developing countries is the first condition that has driven them to attempt to change the international trading regime, since they cannot hope to influence the international trading

regime exclusively by the exercise of their national power capabilities (Krasner, 1985, 38).

The developing countries have changed the international trading regime by supporting trade liberalization in the multilateral trade negotiations in the WTO, in the hope of changing the allocation of control and material resources within the regime (Krasner, 1985, 61, 68). This change has been clear with the developing countries taking more initiative and the developed countries taking a more responding role in the Doha Round, as for instance seen with the issue of elimination of agricultural export subsidies, thereby changing the WTO from within (Walker, 2004).

### 3.1.4 Authoritative Regime

From Krasner's realist point of view the change of the international trading regime should be a change towards a more authoritative regime. An international authoritative regime embodies principles and rules that legitimize a definitive and valid allocation of resources set by official political institutions, rather than a regime based on market allocation of resources, being problematic for the developing countries, since it provides unfair advantages for larger and more knowledgeable economies (Krasner, 66, 86-7, 285). The goal of the developing countries according to Krasner is to establish legitimate authoritative allocation creating fair trade in order to overcome the structural weaknesses and reduce their vulnerability in the international trading regime (Krasner, 1985, 112, 115, 267, 305-6).

The WTO can be viewed as an authoritative regime dealing with the rules of trade between states, even though it is an organization for the liberalization of trade (WTO, 2004, 9). The authoritative aspect of the WTO is the institution's organisation and constitution of a rule-based multilateral trade system, which can protect the interests of the developing countries. By being a system of common rules and a mutually agreed code of conduct, the WTO can reduce the trade uncertainties for the member states through the setting of legal obligations, regulating trade policies of the WTO members (Das, 2005, 87-8, Hoekman and Kostecki, 2001, 28).

An important factor, when it comes to the issue of an authoritative regime, is the fact that the WTO rules apply to all members, which was not the case with the GATT, being a more market-oriented institution. This principle of reciprocity, which is fundamental to the WTO, creates a balance between the member states. The principles of reciprocity and consensus strengthen the concept of an agreement being an outcome that each and all members find beneficial, otherwise the agreement would not come into effect (Hoekman in Hoekman et al., 2002, 41,43, 49, Finger and Winters in Hoekman et al., 2002, 50-1). A greater awareness of the importance of a rule-based system was created among the developing countries back in the Uruguay Round, and also became visible in the Doha Round with an increasing amount of proposals submitted by the developing

countries in order to secure rules and obligations favouring their interests (Tussie and Lengyel in Hoekman et al., 2002, 486, 491). In the Doha Round the developing countries have, with the exemption of their demands for elimination of trade barriers in the developed world, pushed for agreements based on authoritative principles rather than liberal, such as the special and differential treatment and the rejection of the Singapore issues concerning new rules on investment, since the developing countries believe that these rules favour the interests of the developed countries and are a financial burden and cost on their administrative capacity (Das, 2005, 57, 97).

### 3.1.5 Relational and Meta Power Behaviour

From a realist perspective, regime change is seen as changes in relative power capabilities. States may seek to enhance their relational power by enhancing their own national capabilities, or they may attempt to secure more favourable outcomes by pursuing a Meta power strategy designed to change the regimes (Krasner, 1985, 14-15, 33-34). Developing countries can therefore follow either relational or Meta power behaviour in order to change the international trading regime towards a more authoritative regime as a way of getting influence.

Relational power behaviour focuses on the ability to change outcomes or affect the behaviour of others within a given regime of institutional structures, being a change in actor capabilities. Meta power behaviour emphasizes the ability to change the rules of and the international regime it self, and thereby rejecting existing institutional structures (Krasner, 1985, 14-15).

The behaviour of the developing countries in the multilateral trade negotiations in the Doha Round has mostly been concerned with the demands for more participation and influence in the existing international trading regime and the WTO. Their relational power behaviour is visible in their increased cooperation, extending the influence of the developing countries in agenda setting, negotiation proposals and drafts, and of course their greater participation in the multilateral trade negotiations at the Ministerial Conferences of the Doha Round, especially the one in Cancún in 2003. The developing countries have pursued relational power behaviour in the Doha Round by increasing their cooperation and thereby gaining power capabilities with the advantage of majority and unity changing the outcome of the multilateral trade negotiations and the power relations within the international trading regime. This aspect is also affected by their increasing economic power and growing market share of the world's economy, especially for countries like China, India and Brazil leading the way for the developing countries in the Doha Round.

The developing countries' use of relational power has influenced the outcome of the multilateral trade negotiations in the WTO Doha Round. This has happened with respect to the issue of agriculture, which is an issue proposed by the developing countries, especially the issue of elimination of the export subsidies in the developed countries, which was one of the main reasons why an agreement in

Cancún could not be reached and the negotiations ended in deadlock. Later the same use of relational power can be seen in the participation of the developing countries in the renegotiations in Geneva 2004, where some agreement on modalities were reached, and finally with the outcome of the sixth Ministerial Conference in Hong Kong with the setting of a date for the elimination of export subsidies by 2014 (BBC, 2003, "Tough talking at trade summit", Møller, 2005, Walker, 2004, WTO, 2004, 12-3, 77, 79, 80, WTO, 2003, Cancún Ministerial Statements, WTO, 2004, Geneva Ministerial Declarations).

The use of meta power behaviour is questionable since the change in the international trading regime from the GATT to the WTO, but there is some limited meta power behaviour seen today with many developing countries calling for a reform of the WTO and the proposals for improvement of the WTO decision making process, but they are not directly linked to the Doha Round. The proposals have included the suggestion of the establishment of a management and steering group with representative participation of the WTO members and being responsible for the reaching of a consensus, and the suggestions towards the decentralization of the decision making process in regional committees (Arnold, 2003, Tussie and Lengyel in Hoekman et al., 2002, 492).

### 3.1.6 Influential Variables

Finally three variables have influenced the extent to which the developing countries have been able to secure their preferred international trading regime: the degree of access to existing institutions, the change in the American hegemonic power, and the ideological coherence (Krasner, 1985, 59, 70).

The fact that the WTO is an institution providing equal access is influential to the way the developing countries can gain influence. Even though developing countries from a realist point of view cannot create institutions by themselves, they can influence them, and with the hegemon's creation of institutions also follows autonomy in order to create legitimacy for the institution, which requires the recognition of sovereign equality of states, enforcing equal distribution of votes, and giving the developing countries the chance to increase their influence within the WTO (Krasner, 1985, 75-7). But the developing countries cannot undermine the effectiveness of the system and thereby risk their own degree of influence (Krasner, 1985, 80). This shows the importance of powerful states, as the developed countries, in order for the developing countries to influence the existing institution, being the WTO (Krasner, 1985, 29). Their degree of influence lies in the access to the WTO as an existing institution in the international trading regime, where the access is connected to the principles of the WTO concerning the rules of non-discrimination, reciprocity, enforceable and binding commitments, transparency and safety valves. These principles secure the influence of the developing countries by creating a balance and equality not based on national power capabilities and providing a place for the settling trade disputes, access to information, working groups securing communication, and rules of trade

restriction (Hoekman in Hoekman et al., 2002, 42-44). The multilateral trade negotiations of the WTO Doha Round give the developing countries a greater chance to influence the international trading regime, even though they do not have the same economic and political power as the developed countries. The multilateral trade negotiations give them more influence than they have in bilateral trade negotiations with the developed countries (Das, 2005, 3).

Another variable is the relative power position of the USA as an influence, and the Americans continued commitment to the WTO is important for the developing countries to gain influence (Krasner, 1985, 59-60). The influence of the developed countries have decreased after the Ministerial Conference in Seattle in 1999 with the decline of the American hegemonic power in multilateral trade negotiations, which can create a weakening of the international trading regime, seen as change in rules, decision-making, procedures and behaviour (Krasner, 1985, 10, 71, Das, 2005, 21). A change could be the USA using bilateral negotiations and agreements as a way of power and the pursuit of free trade in the international trading regime instead of multilateral trade negotiations (Das, 2005, 55). This change was seen in Cancún, where the USA played a relatively low key role, compared to the past where the USA has been a driving force in multilateral trade liberalization (Schiffers, 2003).

The last variable concerns the need for a common view to cooperate (Krasner, 1985, 60). For the developing countries the creation of coalitions is important in getting a coherent political force based on common interests and the sharing a joint agenda, seeing development as a common ideology (Krasner, 1985, 88, 90, Narlikar, 2003, 17, 197). Development concerns are an integral part of the Doha Development Agenda agreed on as the negotiation plan of the Doha Round. This places the needs and interests of developing countries at the centre of the Doha Work Programme, being substantial improvements on market access, agricultural reforms, a more effective special and differential treatment, full and effective participation in the multilateral trade negotiations, and facilitating the implementation of the WTO rules (WTO, 2001, Doha Ministerial Declaration).

### 3.2 Conclusive Statements

Krasner's realist explanation of how the developing countries have influenced the multilateral trade negotiations of the Doha Round has shown a conflict between the developing and developed countries existing over time due to unequal distribution of national power capabilities in the international trading regime.

The realist analysis explains that the developing countries have influenced the multilateral trade negotiations through their relational power behaviour based on increased cooperation. Their increased cooperation is a way of overcoming their structural weaknesses with the ability to change the outcome of multilateral trade

negotiations within the international trading regime. The developing countries have done this in order to secure a more authoritative allocation within the WTO as a way of gaining influence. By supporting a more authoritative regime of the WTO the developing countries have increased their influence and wishes within the international trading regime. This is connected with the aspect of to what extent the developing countries can secure their preferred regime, being a more authoritative regime. Krasner explains that the three influential variables in this matter are the open and equal access to the existing WTO institution, the declining of the American hegemonic power and the strengthened ideological coherence among the developing countries.

Conclusively the realist explanation of how the developing countries have influenced the multilateral trade negotiations of the Doha Round is according to Krasner their increased cooperation pursued through relational power behaviour influenced by structural conditions changing the influence and the power relations of the WTO multilateral trade negotiations in the international trading regime.

## 4 Comparative Analysis

This final chapter is a discussion and comparison of the two theories analyzed in the previous chapters. The elements included are the theoretical similarities and differences discovered in the realist and constructivist analyses, and the advantages and problems related to the two theoretical explanations. These elements are connected with the main aspect of the chapter being the discussion of which of the two theories, the realist or the constructivist, are the best at explaining the influence of the developing countries in the multilateral trade negotiations of the WTO Doha Round. The comparative analysis will include my comments on the situation, and will lead to the conclusion, which answers the research questions, followed by thoughts on further research perspectives.

### 4.1 Comparison of the Realist and Constructivist Theories

In my opinion the growing coalition-building and alliances among groups of the developing countries are the main factors by which to gain influence, with the most vital element being the power of majority. A great example illustrating this is the forming of the G-110 of developing countries gathered by India and Brazil on the matter of setting a date for the elimination of agricultural export subsidies at the Ministerial Conference in Hong Kong, being the final development of the multilateral trade negotiations of the WTO Doha Round conducted in the period 13-17<sup>th</sup> December 2005 (Møller, 2005). The main discussion is therefore how this change in influence and power relations in the multilateral trade negotiations in the WTO Doha Round can best be explained by either the realist structural or the social constructivist theoretical approach.

The two theories both have a focus on the change in the international trading regime connected with the common element of increased cooperation as a means to get influence. In this matter the realist theory has an advantage in describing this increased cooperation explicitly as a way of influence, while the constructivist theory explains the process of how the collective cooperation has happened. The difference is the emphasis on either the changing of structure or the social process, which is related to the aspect of seeing the actor as more or less constrained by the structures. This scientific difference incorporated in the two theories is best illustrated through the realist structural emphasis on existing institutions, hegemonic power status and the ideological coherence as influential, where the

two first clearly are structural elements, compared to the constructivist emphasis on changing and re-thinking the behaviour, rules, roles and collective identity.

A related similarity of the two theories is the element of ideological coherence and the finding of a common view and goal for the developing countries in the multilateral trade negotiations as an explanation for getting and gaining influence in the Doha Round. The difference is again the argument being structural or a social process, as an explanation of the increased cooperation and interaction among the developing countries and the changing of the power relations in the multilateral trade negotiations.

A difference among the two theories is that Ford's constructivist theory explains the change and influence within the WTO and the international trading regime, and according to Krasner the goal in a realist perspective should be meta power behaviour in order to change the structures. So even though he recognizes the relational power behaviour to gain influence within the WTO he emphasizes the fact that the developing countries should also change the decision-making process of the WTO, restructuring the institution and thereby the power and influence within the international trading regime. In the analysis the behaviour of the developing countries has mostly been that of changing the influence and power within the WTO, but the issue of pursuing this behaviour as being the most beneficial in becoming influential is hard to pinpoint and is in some ways subjective. But the fact is that all the years of trying to change the international trading regime with creating a new one and being an opponent of the existing institutions cannot be considered a success for the developing countries. This might have being influential in the later pursuing of a behaviour that tries to change the power relations of the international trading regime from inside the WTO, emphasized in Ford's constructivist approach. The constructivist theory therefore has a greater explanatory force, since it focuses on the change of behaviour in order to gain influence within the WTO system, and thus affecting the power relations of the multilateral trade negotiations.

In the use of Krasner's realist theory lies a problem with the goal of authoritative allocation being the understanding and context it is seen in, since there is a great difference between authoritative regimes in the international trading regime in 1985 and today, 20 years later. Krasner's view and goal for authoritative regimes is seen from a perspective of the developing countries calling for at new international economic order, which is not pursued today. The strategy of the developing countries today is in my view more along the lines of gaining influence within existing institutions like the WTO, and that is also how I have interpreted and used Krasner's theoretical element of authoritative regimes. I also view the authoritative allocation rules in the international trading regime of the WTO as the way for developing countries to get and increase their influence in securing a more fair trade situation, whereas the goal described by Krasner is wealth and control. The WTO can thereby be seen as a way of gaining influence, through the system of principles, but this system can also be seen as somewhat constraining, since it cannot prevent the influence of economic and political power on decision making, even though the WTO is a system of one country, one

vote, equal access, reciprocity and non-discriminatory behaviour for all countries. But I see that as a difficult aspect to overcome and something that is still discussed in relation to the reform of the WTO.

An extraordinary discovery of the explanations of the analyses, at least in my regard, is the developing countries' change from opponent to participant and supporter of the WTO and of trade liberalization on their terms, and the fact that the possibility of that is incorporated in the WTO system with the principles of non-discrimination and reciprocity and the aspect of one country - one vote. The first explanation of the change from outsider to participant can be based on the constructivist theory, and the other element concerning the access to existing institutions as influential to the degree of influence is a part of Krasner's realist theory. Therefore structural and social process explanations can explain different aspects of the change in behaviour and in the possibilities of influence with respect to the changing of the power relations in multilateral trade negotiations.

In my opinion, the realist theory is best at explaining the reason why the developing countries are driven to change the international trading regime, being their structural weaknesses. This is due to Krasner's emphasis on the structural explanations of change, also mentioned earlier, which shows Krasner's view concerning the structural constraints of the states relational power. This is also the case with the three structural variables he explains and their impact on the degree of influence of the developing countries. These are the structural elements of existing institutions, hegemonic power status and the ideological coherence of the developing countries, as mentioned before. But the constructivist theory also touches the aspect of structural elements, which are described as systemic conditions, which are the levels of interdependence, common fate, homogeneity and self-restraint, but these elements are not the main explanatory focus and argument.

Since the research question concerns how the developing countries have influenced the multilateral trade negotiations of the WTO Doha Round and the explanations thereof, the concrete influence is best explained by the constructivist theory, which focuses on the process of regime change done by the states as actors. This is seen in how the change in identity and role increases the influence of the developing countries in the WTO, where they become multilateral traders and participants instead of protectionists and opponents, as the developing countries have done in the Doha Round, as described in the constructivist analysis. With respect to the process of getting and gaining influence for the developing countries, Krasner explains the state and status of the process of the increasing cooperation leading to influence either by relational or Meta power behaviour. The relational power behaviour consists of a change in actor capabilities seen as increased economic, and for Krasner also political, power for the developing countries, which is the case for developing countries like China, Brazil and India, but not for the rest. Krasner's realist view is therefore not only focused on the economic power concerns, but also on the political power, but mostly regard the structures of the international trading regime as the explanations for the degree of influence, while he does not consider the concrete process as the

means of changing the influence. This shows the two theories' different scientific perspectives when explaining the influence of the developing countries in the multilateral trade negotiations of the WTO Doha Round.

The constructivist theory is therefore best at explaining the influence of the developing countries in a process like multilateral trade negotiations as a social process, changing, re-thinking and creating the trading behaviour, rules, roles and collective identity, while Krasner's realist structural theory best explains why the developing countries are driven to change the international trading regime of the WTO, and also how the power relations are in multilateral trade negotiations and the international trading regime in general due to structural weaknesses and constraints of some of the participants, in this case the developing countries.

## 4.2 Conclusion

The research questions of the thesis are:

How have the developing countries influenced the multilateral trade negotiations of the WTO Doha Round?

Which of the two theories, constructivist and realist, are best at explaining the influence of the developing countries in the multilateral trade negotiations of the WTO Doha Round?

The main answer of the first research question is the increased cooperation of the developing countries being the greatest power of influence and change in the power relations of the multilateral trade negotiations of the WTO Doha Round. This is in line with a common element of both theories being the aspect of recognition of common interests and goals, and explaining of regime change as a way of gaining influence. This makes the theories relevant for comparative analysis. The two theories have different theoretical interpretations of how regime change can be explained.

The constructivist theory emphasizes regime change as a social process through which the developing countries gain influence in the WTO, by changing the power relations and increasing their influence, through re-thinking and creating a trading behaviour, and the roles, rules and collective identity. This change is seen in the Doha Round where the developing countries adopt pro-trade identities, and become participants and supporters of the WTO and of trade liberalization on their terms, instead of protectionists and opponents of the international trading regime. This has changed the distribution of power and influence in the multilateral trade negotiations and the WTO. Seeing the multilateral trade negotiations of the WTO Doha Round as such a social process,

the constructivist is best at explaining how the developing countries have influenced these multilateral trade negotiations.

Krasner's realist theory explains how the increased cooperation among the developing countries is a response to the structural weaknesses, which has driven them to change the international trading regime. According to Krasner this should be done by securing authoritative allocation and rules through authoritative regimes like the WTO through relational power behaviour, which has changed the behaviour within the international trading regime. The realist theory has a structural emphasis, which can be seen with the introduction of the three variables being the open and equal access to the existing institution, the declining American hegemonic power, and the ideological coherence of the developing countries. Therefore the realist structural theory is best at explaining why the developing countries have found it necessary to influence the multilateral trade negotiations in the WTO Doha Round due to structural weaknesses and variables. It is also relevant in the explanation of how the power relations of these negotiations are and have changed. This Krasner explains as a conflict between the developed and developing countries due to the unequal distribution of power and influence in the international trading regime.

The aspect of structural constraints is a theoretical element that Ford's constructivist theory touches briefly as systemic conditions, but they are not the main focus of the theory. Krasner's process of increasing the influence through relational power behaviour does not seem as good an explanation of the process encountered as the constructivist explanation of a social process as the way of gaining influence. The realist theory sees the change in power behaviour as related to the states power capabilities, being economic and political power, and structurally constrained. This does not in full explain how the developing countries have increased their influence in the multilateral trade negotiations of the WTO Doha Round, even though developing countries like China, India and Brazil have increased their economic and political power capabilities prior to and through out the multilateral trade negotiations of the WTO Doha Round in the international trading regime.

When explaining and researching how the power relations between developing and developed countries are and have changed in multilateral trade negotiations the ideal situation for this analysis would be to gain access to the actual negotiations, since the real and explicit understanding and meaning of the process and outcome of the multilateral trade negotiations in the WTO is a political process, where informal and inside statements and interpretations show the influence of the developing countries. This, unfortunately, is not possible. Based on the sources available, the constructivist explanation of how the developing countries have influenced the multilateral trade negotiations of the WTO Doha Round clearly has an advantage in the explaining of the regime change as a social process, where the focus of the realist explanation is structurally bound.

Therefore the combination of the two theories gives a broader basis for explanation and understanding, if the background and underlying structural aspects of the conflict of power and influence in the international trading regime

is to be explored. In future research this could be examined through one country's situation and strategy in the WTO multilateral trade negotiations, or within a certain section of the negotiations, such as agriculture, intellectual property rights or others. There is also the aspect of research of this topic from the perspective of the structure of the WTO, thus examining the systemic problems and dilemmas of the WTO structure, which is an aspect much discussed presently, especially in the light of failed negotiations ending in deadlock, and thus the needs for reform of the WTO.

Finally, the research and explanations of how the developing countries have influenced the multilateral trade negotiations of the WTO Doha Round explores a conflict and change in the power relations among the developing and developed countries, which will continue in the future. Interesting aspects are therefore, how this will proceed, and what the outcome will be of the WTO Doha Round, which is set to conclude by the end of 2006, and then further how it will affect the world trade and the situation of the developing countries in general.

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