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Phil Goff, Minister of Trade, New Zealand

Trade liberalisation is a key component, though only one component, in achieving economic growth in a successful economy. It is a means to an end rather than an end in itself. The test of the trade deals we negotiate is the overall impact they have on lives, jobs, incomes and the health of our communities.

We know that opening up markets, done the right way, is positive for countries. Individual countries have benefited from open market economies. China and Eastern Europe offer clear examples.

Experience also shows the benefits of progressive liberalisation of trade through GATT and WTO rounds. The World Bank policy research paper on the Doha Round in February sets out the gains possible from further liberalising trade, especially for the developing world.

In a further paper to the IMF in April, the Bank shows empirically that WTO accessions are associated with significant increases in growth and investment. In particular, the WTO's ability to bind policy changes in countries with poor governance has succeeded in promoting economic development.

The OECD, in a range of studies, has likewise shown how trade liberalisation can benefit sustainable development and the environment.

Trade liberalisation however is not a panacea. Good outcomes depend also on governments managing structural adjustment, maintaining social cohesion and supporting communities and individuals who may face adverse effects.

I know from our own experience in New Zealand both the challenges of managing domestic reform and the benefits it can deliver over time.

By the early 1980s we were one of the most heavily regulated, subsidised and protected countries in the world, all of which simply contributed to our economic and social decline. By the late 80s, we had become one of the most open market economies.

It wasn't easy. There were short-term social and political costs. As a minister at the time, who lost his seat, I have an especially clear awareness of these. So when we turn to the trade agenda and the Doha Round, I bring to the discussion an appreciation both of the political difficulties that go with reform and the responsibility we carry as ministers facing up to those challenges.

The Doha negotiations are at a delicate stage. The compromises needed to bring together a deal will require changes to sensitive policy settings. They will be controversial – involving real political risks. That focuses ministerial minds.

That doesn't mean we should imagine there is an easier way. If we all stay within our zone of negotiating comfort we shall simply fail. There is no deal available within the comfort zone.

There is a responsibility on us as trade ministers to show political leadership. We have to be prepared to take our constituents with us, remind them of the gains available from reform and reassure them that we are able to support them through any adjustment.

That takes us to the question of what level of gains we can promise our constituents. I would like to be able to say that the deal that will ultimately be on offer in the current WTO negotiations will deliver the fundamental reforms and large-scale market opening many of us hoped for when we launched the Doha Round.

The reality right now is short of that. There needs to be movement forward to get to a deal. Defensive sensitivities in many areas are acute so getting a deal won't be easy. Regardless of the objective case for reform, negotiators believe that in some areas they are close to the limits of what is politically achievable.

But as negotiators, it is our job to test those limits. They are not set in concrete. A negotiation is about adjusting expectations. That means using information, using ideas and using discussion to shift the thinking of your negotiating partners on what might ultimately be achievable, under the right conditions.

That simply has to happen. If so, we can achieve useful outcomes.

Major reform of agricultural subsidies is within our reach, even if there is unfinished business set aside for the next round.

We need to achieve improvements in agricultural market access that will generate real new trade opportunities. As Kofi Annan has said, the most important thing we can do to assist development is to open up the markets of the developed world to those in the developing world. That will require more than is currently on the table. The same is true of non-agricultural market access, services and rules.

The Doha agenda was built on a commitment to place the needs and interests of developing countries at the heart of the work programme. We cannot short-change the membership on that. Important subsidy reforms and some useful market access opportunities are already in sight.

As we have all said, that has to be improved upon. On top of that we can expect targeted results in some areas of specific developing country interest, including cotton and duty-free, quota-free access for Least Developed Countries.

Will the round succeed? One thing that strikes me is the apparent alignment in key countries between a domestic reform agenda and the WTO agenda. CAP reform in

Europe under Franz Fischler delivered fundamental changes – essentially for the better. The EU is keen to bank those results in the WTO process.

In the United States, Mike Johanns has a reform agenda for farm programmes that can likewise feed directly into WTO negotiating outcomes.

I think Ministers Nikai and Nakagawa of Japan likewise see potentially positive linkages between their domestic programmes and their approach to the negotiations. Brazil and India are making policy reforms that may give them scope for some negotiating flexibility in the WTO.

We should also not underestimate the value key WTO members attach to preserving the viability of multilateral trade rules.

A rules-based system and availability of a dispute settlement system are critical. Together they provide a process for the political management of adjustment pressures and trade disputes that would be difficult to achieve by other means.

Not to succeed in this round would put the system itself at risk. We cannot afford to do this.

Having multilateral rules is most important for smaller countries and for developing countries. Without those principles it would be rule of the jungle, and the most vulnerable would come off second best.

I don't see any government wanting to put at risk the future viability of the World Trade Organisation as an institution and specifically its rules and dispute settlement system.

I don't disregard the real difficulties the negotiations face. But we should not be surprised or overawed by them.

How do we get there? As ministers, we need to listen carefully to our colleagues as they explain their specific political difficulties or needs. We should be prepared to look for practical and creative ways to help manage those issues. And to do so in ways that do not lose sight of the basic reasons we are negotiating – our goal of providing producers in developed and developing countries alike with new opportunities to trade and prosper and deliver benefits to consumers.