

<b>Institution: The University of Manchester</b>
<b>Unit of Assessment: 21 (Politics and International Studies)</b>
<b>Title of case study: The Structural and Institutional Constraints Facing Developing Countries in the Global Trading System</b>
<p><b>1. Summary of the impact</b></p> <p>University of Manchester (UoM) research considers the role, position and perception of developing countries in the World Trade Organisation (WTO). It is informed by a deep unease at the way developing and least developed countries (LDCs) have been consistently unable to participate in the multilateral trading system on an equitable basis, and are routinely rendered powerless to realise the meaningful gains that the global trade regime habitually promises. Impact is achieved through a systematic and sustained programme of dissemination, consultation and engagement with high level international policymakers, government officials and civil society organisations, resulting in measurable and meaningful policy change. In conjunction with these stakeholders, the research has: informed the negotiating positions of several states – including South Africa, Turkey, the Seychelles and Nigeria; shaped thinking around the future of the global trade architecture; and contributed to a number of training programmes, most notably at the UN.</p>
<p><b>2. Underpinning research</b></p> <p>Key researchers are Professor Rorden Wilkinson (Politics, 1997-) and Dr James Scott (Hallsworth Research Fellow, 2008-2013), with Wilkinson seconded (2009-) to UoM's Brooks World Poverty Institute (BWPI). The case is built upon ongoing research; the first grant (British Academy) secured in 2003, and subsequent grants secured in 2006/2010 (Rory &amp; Elizabeth Brooks Foundation), 2007 (British Academy, Centre for International Governance Innovation/Trudeau Fund), 2009 (Nuffield Foundation), 2011 (Henry Luce Foundation) and 2012 (Brooks/DTI South Africa).</p> <p>This research programme systematically challenges conventional wisdom – that the problems developing countries and LDCs face relate specifically to the nature of their economies and politics, and/or the nature of relations with former and quasi-former colonial states – clearly demonstrating that developing countries are not 'naysayers', 'foot draggers' or 'free-riders' in multilateral trade liberalisation. <b>It seeks to actively inform multilateral trade negotiations, and is designed to seek improvements in the trading prospects of developing and least developed countries.</b> Through sustained research, UoM expertise is recognised by key actors within national governments, NGOs and grassroots organisations as challenging the portrayal of developing countries as passive participants. Instead, the research argues that these states are not given credit for their contribution, even though they were and are actively and constructively engaged in trade negotiations. In sum, such countries <i>are</i> important agents in global trade [E].</p> <p><b>The conventional narrative in trade circles is also challenged</b> – that the global trading system will collapse if developing countries do not co-operate (the 'bicycle' theory) [D]. These 'discourses of crises' put undue pressure on the least powerful states, and a major contribution of the research has been to stress to LDCs that, in the face of a perceived crisis, pressures to hurriedly liberalise should be resisted. The asymmetrical outcomes of consecutive multilateral trade negotiations, which similarly militate against developing countries and LDCs, is also highlighted, and it is stressed that equal participation is often impossible because of a lack of necessary resources, technical expertise and opportunity [A][B][C].</p> <p>Research was undertaken in four phases. <b>Phase 1</b> examined the legal and institutional disadvantages confronting developing countries in WTO negotiations and their long-run effect [C]. <b>Phase 2</b> explored the role of political practices and behavioural norms in negotiations, and the negative impact they have on the capacity of developing countries and LDCs to participate [E]. <b>Phase 3</b> examined the construction and effects of knowledge, discourse and common sense on the negotiating positions and behaviour of developing countries [B][D], and processes of institutional socialisation [A]. <b>Phase 4</b> is currently exploring processes of institutional reform and ideational reconfiguration. <u>Key Findings</u> from the research include:</p>

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1. As a broad group, developing countries are structurally and institutionally disadvantaged by WTO rules, norms, negotiating practices and decision making procedures.
2. Common sense ideas about the value of trade, the consequences of institutional breakdown and crisis, and the means by which trade gains are 'measured', distort the negotiating positions of less able states.
3. Participation in the multilateral trade regime socialises states into modes of behaviour that reinforce existing inequalities, regarding both agenda setting and outcome.
4. The capacity of developing countries to effectively negotiate is further inhibited by a lack of knowledge about the institutional and structural inequalities they confront.
5. The most likely reforms of the WTO will at best maintain, and at worst exacerbate, asymmetries already embedded in the multilateral trading system.

### 3. References to the research (all references available upon request - AUR)

Research findings have been published in leading journals in the fields of international trade, international development and international political economy as well as in notable edited volumes, policy working papers, monographs and as stand-alone reports, opinion pieces and other works.

- [A] (2012) Wilkinson, R. & Scott, J. (eds.) *Trade, Poverty, Development: Getting beyond the WTO's Doha Deadlock* (London: Routledge) (AUR)
- [B] (2011) Scott, J. & Wilkinson, R. "The Poverty of the Doha Round and the Least Developed Countries" *Third World Quarterly* 32(4) 611-627 doi:10.1080/01436597.2011.569322
- [C] (2011) Wilkinson, R. "Measuring the WTO's Performance: An Alternative Account" *Global Policy* 2(1) 43-52 (REF 2014) doi:10.1111/j.1758-5899.2010.00058.x
- [D] (2009) Wilkinson, R. "Language, Power and Multilateral Trade Negotiations" *Review of International Political Economy* 16(4) 597-619 (REF 2014) doi:10.1080/09692290802587734
- [E] (2008) Wilkinson, R. & Scott, J. "Developing Country Participation in the GATT: A Reassessment" *World Trade Review* 7(3) (REF 2014) 473-501 doi:10.1017/S1474745608003959

### 4. Details of the impact

**Context:** Concurrent with ongoing multilateral trade negotiations (2001-), UoM research has sought to target and maximise impact through the building of extended and sustained relationships with actors in the WTO (ambassadors, lawyers and knowledge brokers), national governments (specifically South Africa, Turkey, The Seychelles and Bangladesh), and international and national civil society organisations. The impacts from this research are threefold:

- Informing the negotiating positions of actors within the global trade architecture
- Contributing to the future shaping of the global trade architecture
- Shaping participant and policymaker training programmes

**Informing negotiating positions:** Wilkinson and colleagues have systematically disseminated their research within a range of international *fora*, with findings presented to all of the WTO's high level ministerial conferences since 2003. In 2011 a document prepared by Wilkinson – 'Four Principles for Reforming the WTO' – was circulated by the knowledge broker the International Centre for Trade and Sustainable Development (ICTSD) to all trade delegates (c.2000), including attending trade ministers, and also translated into Swedish [1]. As the Chief Executive of ICTSD attests: "*findings have been picked up directly by trade actors, with the research effectively transforming insights, narratives and bargaining tools for developing countries in the WTO. Professor Wilkinson's contributions to the work of ICTSD have been crucial... contributing to our ongoing work on the importance of sustainable development within the international trade system*" [2]. Wilkinson has advised a significant number of governments at the highest levels. Prominent examples include South Africa, the Seychelles, Turkey and Bangladesh.

**South Africa:** Wilkinson has built a sustained, high-trust relationship with South African trade negotiators, offering advice on an *ad hoc* basis since 2009. The country's Ambassador, and Permanent Representative to the WTO, cites the value of publication [E] in his existing [3] and

ongoing work, noting that: *“I have also served as the WTO Chair of the Committee of Trade and Development... In this capacity, and as an active participant in several developing country coalitions and alliances, I have sought out researchers and writers that could assist me in the work I was doing to advance the interests of developing countries in the WTO... My association and collaboration with Professor Rorden Wilkinson enhanced my capacity to engage more effectively in all of these roles... Evidence of the influence of Rorden’s work on the negotiations can be seen in at least two WTO proposals that I co-authored on behalf of developing countries in the WTO... I have also had the chance to comment on his work... [where] I pay tribute to Rorden’s research and analytical work, and in particular the value this has for practitioners, such as myself”* [4].

**Seychelles:** In the period 2007-09 Wilkinson was Special Advisor to the Vice President and Minister of Finance on WTO accession. As the Former Director General of Trade testifies, Wilkinson both assisted in brokering relationships between Seychelles officials and WTO actors, and *“his research on ‘asymmetries’ was usefully translated into concrete advice concerning which specific aspects of trade should be open to liberalisation, and which should be protected as a part of the country’s WTO accession package... Subsequent to these discussions, the Seychelles proceeded with re-engaging the WTO in respect of Seychelles’ application of accession but adjusted its offers to the Membership in light of the advice that Professor Wilkinson provided”* [5]. Correspondingly, the country’s Minister of Foreign Affairs points to longer term aspects: *“Professor Wilkinson’s work has been particularly important, as at the present time there is a notable lack of rigorous academic work that underscores both the vulnerability of the Seychelles economy to fluctuations in external demand... and the special features of the Seychelles economy, which require specific policy recommendations... Professor Wilkinson has provided useful advice over a period of time [1999-2011] that greatly assisted our negotiating position. Seychelles has built a credible offer for WTO accession... Wilkinson’s advice has contributed to this”* [6].

**Turkey:** In 2007, the Turkish government invited Wilkinson to contribute a paper to a government sponsored event on foreign trade; the brief was to come up with ‘new ideas on trade’. The paper – highlighting institutional asymmetries in international trade; and the role of language in constructing false representations of developing countries and shaping their behaviour in international trade – was subsequently published in the Undersecretariat’s official journal (Vol.3:1, 2009) as ‘The Problematic of Trade and Development Beyond the Doha Round’, and reported on the major Turkish trade blog *dtm.gov*. As the conference organiser confirms: *“The event was very successful... [and] attended by high ranking bureaucrats of the Undersecretariat for Foreign Trade as well as by practitioners of foreign trade... Wilkinson’s contribution made a constructive contribution to ongoing debates within a Turkish context on the Doha round... and the work continues to be important as revealed by the comments... from the Undersecretariat”* [7].

**Bangladesh:** Wilkinson has been appointed expert advisor to two high level working groups, ‘LDC IV Monitor’ and ‘Future of the UN Development System’. The former (a non-official UN sanctioned group) is facilitated through collaboration between the Commonwealth Secretariat, OECD Development Centre and the Centre for Policy Dialogue in Bangladesh. The Chair of LDC IV Monitor confirms that: *“Wilkinson’s expertise has been valuable in shaping the structure and content of the upcoming biennial report of the Monitor. His comments and observations have enabled us to significantly improve the key messages... [and] The chapters on Trade and Millennium Development Goals (MDGs) also benefited greatly from his critical inputs... Wilkinson has helped us to connect to the frontier issues concerning the development challenges currently confronted by the LDCs. Professor Wilkinson’s work remains vital, as he continues to remain engaged with the LDC IV Monitor”* [8].

**Rethinking global trade architecture:** In order to enhance the hands-on policy engagement documented above, debates concerning the contours of global trade have been nurtured. Wilkinson’s dissemination and consulting activities, via a network of high level contacts across a range of states and organisations, were mobilised within the inaugural Global Poverty Summit in South Africa (16-19/1/2011). This event, initiated, co-ordinated and convened by Wilkinson, brought together 50 of the world’s leading poverty thinkers (including former heads of state, serving ministers, country ambassadors, iconic and Nobel Prize winning intellectuals, leading academics,

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heads of international NGOs, and secretaries-general, under secretaries-general and assistant secretaries-general of UN Institutions). The purpose of the event was to influence progress in two international public policy initiatives – the Millennium Development Goals and the WTO’s Doha Development Agenda – as well as engage in public debate. At the conclusion of the summit, two major international declarations were agreed and produced by participants on ‘Africa and the Doha Development Agenda’ and ‘Africa and the Millennium Development Goals’. The Deputy Director General of the WTO (also Nigeria’s Ambassador and Permanent Representative) substantiates the value of this event, and Wilkinson’s contributions to WTO ministerial *fora* (2003-2011), stating that: *“I have found Professor Wilkinson’s work particularly helpful in the shaping of the global trade agenda, with respect to the interaction between trade policy, trade negotiations, sustainable development and poverty reduction... Wilkinson has also been of assistance in the development of Nigeria’s negotiation positions, especially in finding the balance of commitments and the movement from defending positions towards finding compromises... This research will continue to be valuable in advancing meaningful discussions on various issues under the Doha Work Programme, including the package for the Bali Ministerial Conference (MC9)... as well as the post-Bali agenda”* [9]. The Summit was followed up by a ‘Commission on the Future of the Multilateral Trading System’ (Cape Town, 5/12/2012) funded by BWPI, DTI South Africa and the World Bank.

**Training Programmes:** Wilkinson has disseminated his research on institutional asymmetries in trade and the role of crisis in trade negotiations in the UK (2006-), running training packages on ‘Regional Trade Agreements (RTAs) and development policies – including ‘US and EC preferential trade policies and impact on developing countries’, ‘WTO negotiations’ and ‘Global Trade Regulation’ – for the British Institute of International and Comparative Law (BIICL), Advocates for International Development (A4ID – who offer *pro bono* support to developing countries in trade negotiations) and for the International Trade Division of the Department for International Development (DfID). Many of these sessions have been recorded for future use and wider dissemination. Wilkinson also enjoyed a key role within the UN Summer Academy programme; 2012 (Turin) and 2013 (New York). In 2013, Wilkinson contributed a keynote lecture on UN Reform – ‘Global Governance and the United Nations: Understanding the UN in a Rapidly Changing World’ – in an all-day session. The course co-ordinator verifies that *“Wilkinson’s in-depth knowledge and passion for the topic provoked vital discussions on the key challenges of global governance... [and] really set the tone and the high pace of the successful event... The contribution of academics such as Professor Wilkinson is vital in that it provides an outside perspective to UN staff members... Wilkinson’s contribution was very effective, particularly in highlighting critical considerations of global governance which set the environment for informed decisions on the role of the United Nations in this rapidly changing world... he has demonstrated himself as one of only a few academics with real insight and knowledge in both global governance, and the UN as an important multilateral organisation”* [10].

##### 5. Sources to corroborate the impact (all claims referenced in the text)

- [1] Wilkinson, R. ‘Four Principles for Reforming the WTO’ ICTSD (December) & ‘Fyra principer för reformering av WTO’ (Global Publications Foundation)
- [2] Testimonial from Chief Executive, International Centre for Trade and Sustainable Development (3<sup>rd</sup> October 2013)
- [3] (2009) Ismail, F. ‘Reforming the World Trade Organization: Developing Countries in the Doha Round’, CUTS International
- [4] Testimonial from South African Permanent Representative to the WTO (30<sup>th</sup> July 2013)
- [5] (2013) Letter to Prof Wilkinson from former Director General of Trade, Ministry of Finance, Trade and Investment, Republic of Seychelles (5<sup>th</sup> September)
- [6] Testimonial from Minister of Foreign Affairs, Republic of Seychelles (5<sup>th</sup> August 2013)
- [7] (2013) Letter to Prof Wilkinson from Director, Center for International Economics, Bilkent University (18<sup>th</sup> August)
- [8] Testimonial from former Bangladeshi Ambassador to the WTO (12<sup>th</sup> September 2013)
- [9] Testimonial from Deputy Director General, WTO (5<sup>th</sup> August 2013)
- [10] (2013) Letter to Prof Wilkinson from Senior Manager and Course Coordinator, Development and Human Rights Team, United Nations System Staff College (5<sup>th</sup> September)