

# **ARAB COUNTRIES AND THE DOHA ROUND: BETWEEN AMBITIONS AND REALITIES**

*Habib Kazzi*

Associate Professor at the Lebanese University  
And Lawyer at the Paris Bar - France

---

## **Abstract**

Since 2001, the World Trade Organization (WTO) has launched the Doha Round that aims to speed up the liberalization of trade policies while ensuring for developing countries, in particular the least developed among them, a share in the growth of world trade that corresponds to the needs of their economic development. However, like many developing countries, the Arab countries have ambiguous relationships with the multilateral negotiations process, ambiguity that characterizes more generally their position within the WTO. The Doha Round has shown the Arab countries' adherence to the virtues of free trade and their desire of deeper integration in the multilateral trading system. At the same time, the impact of the Arab countries on the conduct of the negotiation process remains low and reflects, ultimately, their marginalization in the WTO system. This contribution endeavors to analyze the key issues of the Doha Round for Arab countries and the reasons of this ambiguity.

---

**Keywords:** WTO, Doha Round, Arab countries, Developing countries, Globalization

## **Introduction**

The last major reorganization of the multilateral trading system took place in 1995 with the conclusion of the Uruguay Round, which lasted more than eight years and which resulted in the establishment of the World Trade Organization (hereinafter WTO).

At the Fourth Ministerial Conference held in 2001 in Doha (Qatar), the WTO members launched a new round of multilateral negotiations called "the Doha Development Round", with the goals of reducing trade barriers and considering more accurately specific needs of developing countries.

Given its ambitious goals, it is not a coincidence that the Doha Round includes more than 21 issues for negotiation, even if agriculture and market access for non-agricultural products issues are concentrating most offensive

and defensive interests of the major actors in the negotiations, with the exception perhaps of services.

These negotiations, whether the ministerial conferences in Cancun (2003), or Hong Kong (2005) or Geneva (2009 and 2011), have however resulted in resounding failures. Even the "Bali package", resulting from the last ministerial conference held in December 2013 in Bali, did not lead to major progress on the sensitive issues mentioned above, advocating only a package of measures to boost trade of the least developed countries and to ensure better food security for developing countries. This shows how the conclusion of the Doha Round remains a daunting task. Indeed, multilateral negotiations have clearly highlighted the growing gap among the WTO Members, not only between emerging and other developing countries but more broadly a North-South division, which questions the basic assumptions of the WTO foundations, namely the theory of comparative advantages and the automatic link between trade and development.

This fracture involves *de facto* the Arab world. The latter corresponds to 22 countries characterized by a circumscribed geographical area ranging from the Islamic Republic of Mauritania in the west to Oman in the east, as well as by a common Arabic language and Islamic culture resulting from the historical expansion of Islam. All these countries belong to the category of developing countries, with a special mention for six of them which are part of the list of least developed countries (hereinafter LDCs) as defined by the United Nations. Among the Arab countries, twelve are already WTO members and eight others have observer status and are in the process of accession to this organization.

This brief presentation hides, nonetheless, another reality. Analyzed from a political and economic perspective, the Arab world is far from being unitary and homogeneous. While the "Arab Spring" carries as much hope as uncertainty, the Arab countries remain outside the mutations and reforms that benefit many areas around the world. Until today, the trade obstacles and conflicts that cross this region are not allowing it to benefit from the advantages of natural and geographical endowments, close to Europe and at a pivotal position between Europe, Africa and Asia. This part of the world did not yet experience the political and economic dynamics seen in other emerging areas (particularly in Latin America, East Asia and Central and Eastern Europe). Although the Arab countries have a total population of around 360 million, which constitutes about 6% of the world population, their share in the world trade is *de minimis*. To this painful reality, one may add the heterogeneity of levels of development and economic structure among the Arab countries. As a result, a classification is required. At the risk of oversimplifying, three categories of countries emerge: those whose economies are mainly based on oil and hydrocarbons exports, and belonging

to the category of high-income countries; middle-income countries whose economies are mainly based on traditional sectors (agriculture and manufacturing) with an increasing share of services; and low-income countries with underdeveloped economies based essentially on agriculture. The following developments must be imperatively analyzed in the light of this diversity.

Obviously, the Doha round challenges the Arab States. It reveals both their fragility in the multilateral trading system (hereinafter MTS) and the contradictions of their handling the liberalization of international trade: contradiction between Arab societies crossed by a strong anti-globalization movement and the adherence of the Arab leaders to the virtues of liberalism and the proclamation of its compatibility with Islam; contradiction between the acceptance by these Arab leaders of Doha objectives and their low participation in the negotiations process; contradiction between the low efficiency of the support and technical assistance offered by the WTO and the desire to promote better integration of developing countries in general and Arab countries in particular in the MTS; contradiction between the desire regularly displayed to grant a privileged place to these countries within the WTO bodies and the concrete absence of representation within the institution; contradiction between the large number of Arab countries that are full or potential members of the WTO and their low share in world trade.

And the list is still long about the challenges faced by Arab countries in the current MTS. But these arguments are sufficient, we believe, to demonstrate the malfunctioning of the MTS within the Doha Round with respect to developing countries in general, and with respect to the sustainable development of Arab countries in particular.

The purpose of this study is therefore to understand precisely the reasons of these contradictions and the issues surrounding the Doha Round for Arab states. Two ideas will in this respect constitute the backdrop of the following arguments. First, it appears that the Arab countries share the belief that the outcome of the Doha Round negotiations is crucial for a sustainable development and their integration into the globalized economy (1). Second, and in an antagonistic and contradictory movement, the Doha Round has highlighted the low impact of the Arab countries on the progress of multilateral negotiations, a weakness that generally characterizes the position of many developing countries in these negotiations and their distrust in the functioning of the WTO and its values (2). These arguments will be followed by a brief conclusion.

### **The major impact of the doha round on arab states**

The willingness of Arab countries to conclude the Doha Round negotiations reflects both their adherence to the virtues of free trade within

the multilateral framework of the WTO and their desire to promote national policies for sustainable development (a), as well as their fear of dangers that would result from a failure of the multilateral negotiations (b).

#### **a. The adherence of Arab states to the virtues of free-trade**

To benefit from the expected advantages of the liberalization of international trade, most Arab states have swiftly expressed the desire to join the WTO. Consequently, these countries did not hesitate to undertake deep economic reforms focused on three main components: privatizations in certain sectors such as telecommunications; a policy of open borders with a trade liberalization component; and the improvement of the legal business environment as reflected by sometimes total amendments of internal legislative corpus in order to comply with WTO requirements. These reforms have at times looked like a revolution since Arab economies were traditionally marked by a strong state footprint and numerous barriers to trade and investment.

Clearly, Arab leaders continue to proclaim the virtues of free trade and thus join the supporters of economic liberalization, who advocate the benefits of the opening of borders and gradual elimination of tariff and non-tariff trade barriers. Liberals maintain that free trade would be a factor for peace and interdependence between states, and an absolute postulate to allow economic and social progress. As such, free trade is supposed to benefit both businesses and consumers, and also ultimately the concerned States. Concretely, the optimum efficiency of trade liberalization requires an appropriate multilateral framework based on specific mechanisms: transparency, non-discrimination that encompasses the WTO principles of most favored nation and national treatment, and fairness as expressed in the special and differential treatment granted to developing countries.

The above-mentioned principles and the institutional framework in which they are applied are as relevant today as they were after the Second World War and especially at the time of the creation of the WTO in 1995. But their effectiveness depends on the inclusion of new global economic realities: new types of trade barriers, changing needs of Members, in particular the developing countries, etc. The Doha Round is therefore aimed at enhancing openness and rebalance trade to stimulate the global economy.

For Arab countries, the ideological approach in the Doha process is based on two interrelated ideas: first, the need to strengthen the dynamics of multilateral liberalization and, secondly, the reorientation of the MTS towards their particular sustainable development goals and requirements.

In the context of increased liberalization of trade, these countries are also seeking to redefine their foreign trade policies. The purpose is to diversify their trading partners and reduce dependence of Arab economies

vis-à-vis the United States, European and Chinese markets, reflecting trade deficits and an imbalance of rights and obligations related to bilateral approaches with much more powerful partners. One of the major characteristics of trade in Arab countries is that trade with the EU covers between 40 and 60% of total trade, while the inter-Arab trade is limited to about 10%. Exchanges that Arab countries administer through the WTO do not exceed 30 % of the total. While oil exporting Arab countries recorded a surplus in their trade balance, most Arab states are exporters of industrial and agricultural products and suffer a chronic trade deficit. One may better understand, therefore, why the idea of inseparability of free trade and multilateralism has widespread defenders in the Arab countries.

### **b. The risks of failure in the Doha Round**

In the most likely event where the Doha Development Round is not completed or is completed with a minimum agreement that does not address the key issues of the negotiations, the magnitude of lost opportunities would be significant and the multilateral trading system may be subjected to systemic pressures. Developing countries would then be among the main losers. Among the negative consequences for these countries, four of them deserve special attention: the return to protectionism, the judicialization of the WTO, the proliferation of "variable geometry" commitments, and the spread of unilateralism in trade. Let us examine these four elements:

The first risk is thus protectionism. To justify the current deadlock, some Members emphasize the need to protect “domestic jobs” or “domestic industries” against international competition which is considered unfair. The risk is so great to see the resurgence of protectionist drifts especially when Members use ingenious means to ensure sufficient flexibility through unilateral, bilateral or regional restrictive trade agreements. Such policies are erroneous and dangerous for several reasons; beyond the harm done to their own consumers in terms of price and innovation consequences, a significant part of national employment depends on access to export markets and that without trade, such jobs could be lost. This analysis affects both developed and developing countries. For Arab countries, hundreds of thousands of jobs would be directly or indirectly affected. Furthermore, can one imagine a country protecting its domestic market without other countries doing the same thing? In other words, the domino effect would be devastating. For example, if an Arab country decides to close its borders to foreign agricultural products, how to avoid that counterparts take retaliatory measures against banks and companies that operate in the country concerned? This is why isolationism, even "intelligent" isolationism as some argue, is a recipe for global recession. It is therefore imperative to resist the

temptation of protectionism and to strive to conclude the Doha Round by a fair and equitable agreement.

The second risk of failure in the Doha Round is the judicialization of international trade relations. The dispute settlement mechanism is the main institutional reform established by the WTO. The majority of observers legitimately consider today that the technical review of the Dispute Settlement Body (hereinafter DSB) is positive. During the period 1995-2012, nearly 900 requests for consultations, a mandatory first step of the procedure for settlement of disputes before the establishment of a panel in charge of reviewing a complaint, were filed before the DSB, among which about 50 % were terminated in a peaceful settlement after preliminary consultations. It is now unquestionable that the DSB has acquired credibility thanks to the reliability of its procedures and the effectiveness of its judgments.

Despite the credit acquired, the DSB intends, however, to remain the instrument of implementation of international norms and standards adopted by the Members in the multilateral negotiations. It is therefore a judicial extension of the "quasi-legislative" activity of the WTO. This institution is primarily a political forum with the purpose to govern, peacefully, tensions that arise between states involved in international trade. If the Doha negotiations were bogged down, an alternative would be for dominant States to alter the first mission of the DSB and to increasingly use litigation ways to settle their trade disputes. As a result, such a development can feed the temptation of Members to get rid of the system by denouncing a "government of judges."

The third danger of a Doha Round failure would be the trivialization of the multilateral approach to negotiations and commitments within the WTO. With the constraints of the "rule of consensus", a mitigated multilateral approach would be particularly suitable since the WTO agreements already provide for several elements of "variable geometry". In addition, such a path already exists informally in the works organized within the negotiating committees. The plurilateral approach would thus favor the experimentation of new concessions which would not be adopted by a WTO general and binding agreement because of the multiplicity and heterogeneity of Members. It would broaden the subject matters in negotiation by making it easier to conclude a final agreement. At the same time, it would allow countries that have not participated in the initial negotiations to join them at a late date, at their own pace and according to their commercial interests and development priorities.

Nevertheless, the systematic use of commitments based on limited participation implies the risk of fragmentation and complexity of the MTS. Moreover, general benefits are far from being guaranteed since the establishment of two or more categories of WTO Members in any form

whatsoever does not necessarily increase the reach of WTO nor deepen the commitments undertaken by Members in terms of liberalization.

To illustrate, the analysis of WTO agreements on government procurement and trade in civil aircrafts since their entry into force, respectively on January 1996 and January 1980, demonstrate the absence of developing countries and the low number of countries that joined the Member States originally bound by these agreements. The situation of Arab countries clearly confirms this reality.

A fourth danger that would result from a failure of the multilateral negotiations would be the spread of unilateralism in trade relations. Preferential trade agreements (hereinafter PTAs) proliferated in recent years and a failure of the multilateral negotiations would bring more states to fall back on this alternative. Until December 31, 2012, nearly 414 PTAs have been notified to the WTO, 235 of which are currently in force. Among these agreements, free trade agreements and partial scope agreements account for over 90 % and the customs union less than 10%. Most PTAs are bilateral, which creates a set of increasingly complex trade regulations and, in addition, undermines the principle of non-discrimination. Their defenders consider, however, that they may be the basis for future multilateral trade rules. Whatever the position adopted, there is no doubt that the WTO is increasingly challenged by the regional or bilateral rules.

Should the conclusion of the Doha Round prove to be impossible and multilateralism give way to regionalism and bilateralism, the global trading system would fall on two formidable obstacles: first, the opacity caused by the superposition of international trade agreements and their specifics, and second, the increased risk of trade discrimination and trade oligopoly of the strongest nations since, in such settings, developed countries can require an opening of foreign markets without risking access of foreign products and services from weakly competitive countries into their domestic markets. Also, and since trade liberalization through bilateral free trade agreements often goes well beyond what is provided within the multilateral framework of the WTO, and without consideration of special and differential treatment for weaker economies, the benefits of trade will be largely in favor of the more developed nations. In brief, the PTAs would actually be a disguised unilateralism.

For Arab countries, the incessant need for a credible alternative to regionalization or bi-lateralization of trade relations also results from the failed regional integration over the last several decades. There are currently two main legal frameworks within which intra-Arab trade operates: bilateral agreements and the three following regional agreements; the Common Market of the Gulf; the Agadir Agreement; and the Greater Arab Free Trade

Area (hereinafter GAFTA). Beyond the features of each of them, these three agreements have the following common economic objectives:

- Boosting trade between the Signatories (which remains very low – less than 10% of the total trade of Arab countries) by emphasizing the complementarity of their economies (e.g., Tunisia, Morocco and Egypt could export textiles and agricultural products to the Gulf countries, Algeria or Libya) and fighting counterfeit products that causes damages to local production and distorts the balance of payments.
- Creating conditions to attract more foreign direct investments.
- Strengthening the negotiation skills of the Member countries to deal with powerful trading blocs such as the USA or the EU or in international frameworks such as the WTO.

Despite these ambitious objectives, the implementation of the above-mentioned agreements had rather negative results, quasi-similar to that of bilateral free trade agreements signed by the Arab states. Commitments to liberalize trade and make more transparent the internal regulations have no practical effect. To delay the enactment of their commitments, the Signatories claim that full implementation would mean the death of multiple economic sectors, especially the agricultural and food sectors, given the domestic price support policy adopted by some Signatories.

In fact, the reasons of this situation are numerous and varied. For one, these agreements were signed without serious preparatory steps or consultation of citizens and businesses so that inconsistencies have emerged over time. In contrast to the agreements signed with the United States or the EU, the private sector has not been involved in the preparation of the WTO negotiations. Consequently, it is not surprising that companies regularly denounce the maintenance of many export barriers including rules of origin which are interpreted differently in each country, as well as administrative and normative non-tariff barriers.

Furthermore, some Arab countries, on the basis of the pressure exerted by their farmers and industry, seek to establish a list of sensitive products (wheat, flour, sugar ...) that should be excluded from the scope of a multilateral agreement. Beyond these technical aspects, barriers to the development of regional economic cooperation also result from the priority given to political considerations over economic policies, and the weakness of regional institutions as reflected by the absence of dissuasive sanctions against a violation of the commitments and the adoption of the principle of unanimity, which makes it practically impossible to reach a common decision between Arab leaders, whose disunions remain outstanding beyond the repeated speeches on a virtual Arab unity.

## **The low impact of arab countries on the doha round**

While Arab leaders repeat their support for the Doha negotiations process, it is clear, however, that their impact on the progress of these negotiations remains negligible. The reasons of this situation come less from a lack of political will than from the shortcomings of the WTO and difficulties of integration of developing countries in the MTS. Some observers regularly highlight the undemocratic and unequitable features of the multilateral negotiations (a), the ineffectiveness of programs of building trade capacity for developing countries (b) and, more broadly, questioning the founding theories of the MTS as governed by the WTO rules (c).

### **a. The shortcomings of the multilateral trade negotiations**

Developing countries require a greater role in the determination of both the content and the conduct of the multilateral negotiations. As for many developing countries, the Doha Round has shown the marginalization of Arab countries and their inability to claim their demands.

The WTO is a permanent and institutionalized negotiations forum between Member States. Negotiations taking place under its auspices must be conducted on the basis of reciprocity or non-reciprocity with regard to developing countries, as well as the equal treatment of participants, while the negotiated concessions are legally binding and have a minimal degree of stability in the time before they can be optionally modified. In practice, the implementation of the common principles governing the negotiations, however, favored the inertia of the Arab countries and made more difficult an ambitious consensus.

The situation of Arab countries is seriously complicated by their outright exclusion from the negotiations. These countries feel marginalized while these negotiations are in principle open to all WTO Members and Observers governments that are negotiating their accession or in progress of accession, which concerns about twenty Arab states.

Despite a massive membership of South's countries in the WTO and a formally democratic structure, the negotiation process remains in fact controlled by the industrialized countries. These countries have even shown that they are willing to negotiate outside the WTO, in order to circumvent the principle of decision by consensus. With the support of some emerging countries, the industrialized countries seek to "force the destiny" by negotiating in the "green rooms", that are small circles bringing together a reduced number of major economic nations. Highlighting the impossibility of making decisions at a consensus of 159 countries, the main economic actors hold the decision-making power. Some developing countries do not wish to change this state of affairs: it is the case of major developing countries such as India, Brazil, Argentina and other emerging countries. But

one should keep in mind that these countries are part of the small circle of privileged nations that composes the green rooms.

In the context described above, it is not surprising to notice repeated failures of the trade negotiations organized under the auspices of a WTO that is not fully democratic and does not comply with the Doha ministerial declaration. For many developing countries, they cannot negotiate within the WTO as they negotiated under the GATT. Under the former system, the negotiation was between rich countries and the results were ratified by all parties, without prior discussion. This process was perhaps acceptable when the Contracting Parties could choose their commitments, but that can no longer be tolerated in the WTO system that is burdensome for poor countries due to the “single undertaking” principle. In consequence, these countries do not hesitate to wield their veto, and, at the same time, to integrate states coalitions within the WTO.

Arab states are aware of this reality and are eager to avoid isolation, which can mean loss of control over the negotiations. They tried, in 2006, to form their own coalition. But conflicts and political rivalries have impeded the success of this project. Meanwhile, these states are dispatched in several coalitions of states in which they do not have an active role nor a sufficient knowledge of the subject-matter in negotiation. It is thus striking that no communication has been made to date by an Arab country on behalf of a coalition.

To conclude on this point, it should be noted that the strengthening of Arab countries’ impact in current and future WTO negotiations is therefore a crucial issue; a significant development in this case will require both a more harmonized approach between Arab countries and an institutional framework, instead of the informal committees of negotiation called “green rooms” in which a limited number of developed and emerging countries address key trade issues.

#### **b. The inefficiency of the trade capacity building programs**

While previous developments have highlighted the shortcomings of the negotiation process within the WTO, the low impact of the Arab countries on the work of the Negotiating Committees is also due to their lack of expertise in the field of international trade and the weak role played by the Arab delegations in the WTO bodies. This situation recalls the recurring questions about the effectiveness of the instruments established by the WTO regarding technical cooperation and training that did not fully respond to the needs of Arab countries in this field. An analysis of these different issues is required.

First, regarding the lack of expertise of Arab States, several indications highlight their poor knowledge of WTO rules. The first

indication is the lack of use of multilateral trade defense rules. For memory, these rules are used in case of difficulties due to trade liberalization. They ensure the defense of the legitimate commercial interests of WTO Members when they are victims of unfair practices or are forced to adopt emergency measures in the event of market disruption. Only three countries, namely Egypt, Jordan and Morocco, have already opened investigations at the request of their domestic industries for the application of safeguard measures by other governments. No Arab country has, to date, imposed a safeguard measure on imported products. In the same course, Egypt is the only Arab country to have initiated and imposed anti-dumping measures.

The application of trade defense rules is obviously essential for the competitiveness of Arab economies. In this regard, the annual reports of the WTO show that if 63 WTO members have participated in the dispute settlement procedure during the period 1995-2012, no Arab country has initiated proceedings before a panel as a complainant. Only Egypt was involved four times as defendant. This country and also Saudi Arabia are also the only ones involved in the WTO dispute settlement procedures as third parties, thereby recalling the considerable interest that Arab countries may have in the context of WTO litigations.

How is it possible to justify this inertia of the Arab countries?

The absence of Arab countries in the dispute settlement system (hereinafter DSS) may indicate that these countries chose to settle their disputes by peaceful means. But it is difficult to justify that no "request for consultations" has been filed by an Arab country in 2012! The reasons clearly are elsewhere. A number of experts justify this situation by the high cost of litigations initiated under the DSS which is an obstacle for many Arab countries, but also by the fear of reprisals and adverse consequences on the financial assistance provided by developed and emerging countries. It is striking nonetheless that some countries like Guatemala, Bangladesh, Pakistan or Colombia adopt a more offensive position in the DSS. The lack of participation in the dispute settlement procedures of the WTO may also be attributed to the low contribution of Arab countries in world trade. Here again, this argument should be moderated since it is sufficient to recall the low share held by some active countries such as Argentina (0.6% of world trade) or India (1.5% of world trade), as well as the other countries mentioned above.

In any event, the reasons given above cannot overlook the fact that the infrequent use of the DSS by Arab states is, first, the result of their lack of expertise and knowledge of WTO rules and that this situation is exacerbated by the increasing complexity of commercial disputes. Bringing an action before a WTO panel is a long process that requires the preparation of legal and business data which cannot be provided by the other Member or

the WTO Secretariat. A State Member must find other sources of relevant information by using legal experts and economists who can provide consultations and econometric studies supported by substantial documentation. However, Arab countries have a severe lack of experts in these areas. Is it necessary to recall that, notwithstanding the provisions of Article 17.3 of the Dispute Settlement Understanding (hereinafter DSU) by which the Appellate Body shall be broadly representative of WTO Members, only two Arab experts have integrated this entity since 1995!

This situation may be explained by the delay of Arab governments and universities to incorporate into their training programs issues related to international trade. But it is impossible not to question the effectiveness of the "progressive learning strategy" and the "reference centers" that constitute the two vertebral columns of the trade-related technical assistance program for developing countries. Managed by the WTO Secretariat, and more particularly by the Institute for Training and Technical Cooperation (hereinafter ITTC), this program focuses on e-learning courses and academic programs and workshops organized at both national and regional levels. The immediate objective of these activities is to enable participants to understand the fundamental principles of the WTO in relation to the matters dealt with. For specific questions in connection with the Doha Round, the goal is to give participants the factual and analytical information required to participate meaningfully in the negotiations.

Even if the training tools have been continuously improved since the creation of the WTO, their added value for the Arab States remains however limited. The latest annual report issued by the WTO is eloquent. During 2012, the WTO has undertaken 343 technical assistance activities related to trade capacity building and most of which were for officials from developing countries and LDCs. But the analysis by region shows that only 5% of those activities concerned Arab states, ranking this region almost at the last position with the Caribbean area which received 3% of the technical assistance activities.

There is no doubt that the small number of technical cooperation and training activities does not increase the level of expertise in the Arab countries in the field of international trade, nor target the needs of these countries in the implementation of the WTO Agreements and the Doha Round negotiations. The dramatic situation of Arab countries requires more than a few weeks of training or seminars on specific issues of international economic law. It requires more regular training and monitoring mechanisms for Arab officials selected on skills and stability criteria, as well as more intense awareness policies for businesses, parliamentarians and decision-makers in these countries.

Low expertise of Arab countries in the field of international trade also has a negative impact on their representation within the WTO bodies and in the process of multilateral negotiations. Coordinator of the WTO activities, the Secretariat has 639 regular staff selected from 77 WTO Members. Among the staff, there are only 18 experts coming from four Arab countries, which constitutes less than 3% of the total staff.

In addition to the lack of representation in the WTO Secretariat, Arab countries do not have powerful and effective delegations that are able to negotiate. Limited human and financial resources constitute a major obstacle to the full participation of Arab countries in the WTO works. On the ground, the diplomatic representatives of Arab countries are limited to one or a handful of officials. In addition, their delegations not only cover the WTO works, but participate in the works of other international organizations also based in Geneva, such as the United Nations and its specialized agencies (UNCTAD, WIPO, etc.). With its staff of ten members and a participation in all ministerial and other meetings held in Geneva, Egypt is an exception among Arab countries in this case.

In brief, while the Doha Ministerial Declaration emphasizes that "technical cooperation and capacity building are core elements of the development dimension of the multilateral trading system" (parag.38), multilateral negotiations have highlighted the marginalization of Arab countries in the functioning of the WTO. The challenge for these countries in the context of current and future negotiations is to train more national experts in international trade issues and to set up teams of skilled and polyvalent negotiators likely to actively participate in workshops and influence the outcome of negotiations. Success however will also depend on the redefinition of the WTO technical cooperation strategy and a clarification of the Secretariat mandate in this area.

### **c. The questioning of the WTO ideological foundations**

Whatever the outcome of the Doha Round negotiations, the debate on the legitimacy of the WTO as a body regulator of world trade is recurrent in Arab countries. Since the early 2000s, a strong anti-globalization movement is running within Arab societies and affecting a growing number of stakeholders. This has been recently compounded by political instability related to the "Arab Spring" and a resurgence of religious conservatism.

These parameters reinforce the skepticism of Arab countries and partly explain their reluctance to participate actively in negotiations. To justify their positions, opponents to multilateralism point out that current tensions and deadlocks described above are justified by systemic and structural reasons that would require a renegotiation of the WTO Agreements and a rebalancing of rights and obligations imposed on Arab states. With a

closer look, some points of disagreement between WTO Members reflect, indeed, a real questioning of the founding theories of the global economic order established since 1945, and *a fortiori* of the WTO.

In effect, the Doha Round is occurring in a period of questioning of the theory of comparative advantages which is the cornerstone of the MTS. The principle of specialization is regularly advanced to convince the economically backward states to open their borders. However, the weak economic and industrial development of many Arab countries generates a low added value of the so-called "advantages" possessed by these countries. Like many developing countries, their market position is deteriorated because they export products at low prices, while they cannot do without numerous and costly imports. Their integration into the global economy is therefore reflected by a loss. Trade is largely in favor of industrialized countries, although some countries such as China or India contradict this reality.

Parallel to criticisms against the principle of specialization, the absence of automatic links between trade and development is more and more pointed out. Such a statement may seem surprising. According a World Bank study (Global Economic Prospect, 2004), the conclusion of a "good deal" at the WTO would have increased global income from 290 to 520 billion dollars annually and 144 million people would have come out of the state of poverty by 2015. The OECD went towards the same direction and emphasized that the dynamics of multilateral liberalization may lead to welfare gains, particularly in developing countries.

The argumentations still provided by these international organizations are not enough to convince WTO members to agree. The successive failures of ministerial conferences have revealed the particular crisis of confidence of the South in the MTS. This crisis of confidence is regularly fed by the questioning of the benefits of trade openness and the correlation between trade openness and growth rate of a country. The result, as highlighted by a report issued by the Commission on Human Rights of the UN, is that for certain groups WTO is seen as a "nightmare" (UN, J. Oloka-Onyango and D. Udagama, *La mondialisation et ses effets sur la pleine jouissance des droits de l'homme*, 2000).

Naturally, it is impossible in this contribution to take a conclusive position in this debate. One may only indicate that the logic underlying many multilateral agreements such as the Agreement on agriculture and the TRIPS Agreement are indicative of the North's attitude, which is far from the generosity displayed. Similarly, trade liberalization offers opportunities only under specific conditions that are far from being met in the Arab world: reciprocal liberalization, building capacities in terms of infrastructure and

administration, an educated and skilled population, political and macroeconomic stability, etc.

To better benefit from trade, Arab leaders must also assimilate the fact that trade policy may serve their needs of development when implemented in cooperation with the private sector and civil society. Beyond the official speeches, this requires a profound change in mindsets to end the priority given to political considerations in the conclusion of trade agreements while the opacity surrounding their socio-economic impact remains. The Doha Round thus constitutes an opportunity to increase transparency through greater involvement of private actors and national parliaments in determining objectives and benefits of trade concessions.

### **Conclusion**

In conclusion, the above discussion suggests three main observations:

Firstly, the Doha Round is a major turning point in the integration of developing countries, and particularly the Arab countries, in the MTS. Multilateralism is currently viewed as the most suitable approach to support development policies in these countries, to fight against the abuses or excesses of bilateral trade agreements and to mitigate failures of regional integration.

Secondly, the Doha Round has highlighted the marginalization of Arab countries in the negotiation process and, more generally, in the MTS. This is due to a lack of competitiveness of their economies and serious technical problems of access to international markets, but also to the shortcomings of WTO, which does not fully meet their needs of integration.

Thirdly, Arab countries should better identify their goals in the negotiations and develop more active participation strategies in the MTS. In this respect, a crucial element is Arab unity: Their alliance of 2006 must be revitalized in order to provide a platform for articulating their interests and to be viewed as a strategic partner by powerful delegations in WTO negotiations.

### **References:**

- ABBOTT (F.M.), A New Dominant Trade Species Emerges : is Bilateralism a Threat ?, *JIEL*, 2007, pp. 571 and seq.
- AITA (S.), Le retournement historique des économies arabes, *Revue internationale et stratégique*, 2/2012, pp. 107 and seq.
- BALDWIN (R.), *Big-Think Regionalism : A Critical Survey in Regional Rules in the Global Trading System*, in *Regional Rules in the Global Trading System*, Cambridge, 2009, pp. 17 and seq.

- BAUDOIN (M.), Les négociations agricoles à l'OMC : quel cadre multilatéral pour les agricultures nationales ?, in *Essays on the Future of the World Trade Organization*, 2008, pp. 55 and seq.
- BHAGWATI (J.), *Eloge du libre-échange*, Ed. d'Organisation, 2005.
- CHAKRABORTY (D.) and al., Can IBSAC Emerge as a Major Bargaining Coalition at WTO Negotiations ? in *Essays on the Future of the World Trade Organization*, 2008, pp. 27 and seq.
- COHEN (E.), *Commentaire*, in *Gouvernance mondiale, La documentation française*, 2002, pp. 134 and seq.
- LEAL-ARCAS (R.), A Look at Services Trade: Implications of the Doha Talks Suspension and Resumption, in *Essays on the Future of the World Trade Organization*, 2008, pp. 99 and seq.
- MAGNUS (J.), Compliance with WTO dispute settlement decisions : is this a crisis ?, in *Key Issues in WTO Dispute Settlement. The first ten years*, World Trade Organization, 2005, pp. 242 and seq.
- MULLER-JENTSCH (D.), *Deeper Integration and Trade in Services in the Euro-Mediterranean Region: Southern Dimensions of The European Neighbourhood Policy*, World Bank and European Commission, 2004.
- ODELL (John S.), *Chairing a WTO Negotiation, in Developing Countries in the Doha Round*, European University Institute, 2005, pp. 63 and seq.
- OULD AOUDIA (J.), *Croissance et réformes dans les pays arabes méditerranéens*, Agence française de développement, 2006.
- OWEN (R.). *State, power and politics in the making of the modern Middle East (3rd Ed.)*. London and New York, Routledge. 2004.
- PETERSMANN (E.-U.), *Introduction and Summary*, in *Developing countries in the Doha Round*, European University Institute, 2005.
- SHAFFER (G.), Can WTO Technical Assistance and Capacity Building Serve Developing Countries ?, in *Developing Countries in the Doha Round*, European University Institute, 2005, pp.185 and seq.
- TAXIL (B.), *OMC et pays en développement*, in *L'Organisation mondiale du commerce et les sujets de droit*, Bruylant, 2011, pp. 23 and seq.
- TROCHON (J.-Y) and VINCKE (F.), *L'entreprise face à la mondialisation : opportunités et risques*, Bruylant, 2006.
- VANDUZER (J.-A.), *Navigating between the Poles : Unpacking the Debate on the Implications for Development of GATS Obligations Relating to Health and Education Services*, in *Developing Countries in the Doha Round*, European University Institute, 2005, pp. 291 and seq.
- ACWL, *Report on operations 2012*, (<http://www.acwl.ch/e/index.html>).
- Arab NGO Network for Development, *The Arab Region and Trade Liberalization Policies*, 2007, (<http://www.annd.org>).
- Arab NGO Network for Development, *Free Trade Agreements in the Arab Region*, 2007, (<http://www.annd.org>).

MALKAWI (B.), Jordan and the World Trading System: a Case Study for Arab Countries, American University, College of Law, 2006.

OECD, Quels sont les enjeux après la conférence ministérielle de l'OMC à Hong Kong?, 2006.

United Nations, La mondialisation et ses effets sur la pleine jouissance des droits de l'homme, 2000 (J. Oloka-Onyango et D. Udagama).

UNCTAD, Regional Trade Integrations: a Comparative Study, 2008.

World Bank, Note sur l'agriculture et le développement rural au Moyen-Orient et en Afrique du Nord, 2008, (<http://web.worldbank.org/>).

World Bank, Global Economic Prospect, 2004.

WTO, Statistiques du commerce international, 2012.