

tionists, the unilateralists, and the opponents of greater international co-operation.

I. Analysis of Why the Ministerial Was Unsuccessful

Although the preparatory process for Cancun had been efficient and transparent, resulting in a text that was an acceptable starting point for most delegations, the gaps between Members proved, in the event, to be wider than could be bridged during a five-day conference, for reasons of substance, tactics and organisation. The former and the latter are explained below.

Substance

With the benefit of hindsight, differences in substance were too great to be bridged during the Conference, particularly when combined with the organisational mistakes that also occurred. The principal substantive reasons for failure were:

- *Agriculture.* On agriculture, the joint EU-US proposal of August, had it been accepted at least as a *starting point* for Cancun, would have been a basis for substantial further reform and reductions of trade-distorting subsidies, in particular in the US and the EU, and for negotiations on market access leading to substantial increases in favour of developing countries. This proposal also allowed developing countries considerable leeway with respect to reducing their own subsidies. The EU was ready to remove all forms of export subsidies on a list of products of particular interest to developing countries, an offer which was attracting positive attention in Cancun. A great opportunity was thus missed, due in part to the refusal before and at Cancun of the *demandeurs* in agriculture to negotiate.
- *Cotton:* It proved impossible to reach agreement on the justified African demands for very substantial reduction of trade-distorting subsidies on cotton, due to the *de facto* rejection of this request by the United States. The manner in which this rejection was conveyed through a Chairman's draft text reflecting a position virtually identical to that of the United States, clearly contributed to the feeling amongst the Africans and the LDCs of their views being ignored.
- *Singapore Issues.* The DDA had established a commitment to launch negotiations on the

basis of »explicit consensus« on modalities in Cancun. In spite of this commitment, and the extensive substantive work done on each issue, in the preparatory phase sharply divergent opinions emerged regarding the readiness of many Members to pursue negotiations in the WTO. In a major concession aimed at bridging differences, the EU floated, at the beginning of the Conference, the idea of »optional participation«. Members would be free to decide whether to participate in the results of the negotiations. For reasons which are not clear, no Member took up this offer. Towards the end of the conference, the EU indicated its readiness, in the context of an overall Cancun declaration, to drop investment and competition definitively from the negotiating agenda. Even this major concession proved unacceptable to the African group and to the least-developed countries, who rejected negotiations on all four Singapore issue, so nothing was agreed on the Singapore issues at Cancun. The EC is disappointed that other Members ignored the commitment at Doha to launch negotiations. Such a breach of faith is unhealthy for the system and for mutual confidence that such formal commitments are not respected.

- *Non agricultural market access.* The EC similarly regrets that a successful outcome on modalities was not possible. The texts under negotiation could have produced a good basis for modalities that would lead to further liberalisation, both for North-South as for South-South trade, while still maintaining a margin of preference for ACP partners. Again, an opportunity has been missed to reduce protection on products of interest to developing country and ACP exporters.

Organisation

The Conference did not get into its stride until the last 48 hours, by which time it was too late to resolve the major difficulties remaining. Despite good preparatory work, the volume and importance of the many issues on the agenda made it difficult for most delegations to analyse and modify positions rapidly. New groupings of countries that appeared at Cancun did not have the means of decision-making allowing rapid appreciation of issues or ability to compromise. Instead they were cumbersome coalitions able at the end only to agree on the lowest common de-