

WTO Ministerial Conference in Cancun (September 2003)

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Description The World Trade Organization (WTO) Ministerial Conference in Cancun, Mexico took place 10 September through 14 September 2003. Two key areas were debated at this conference: agricultural subsidies generally and subsidies to cotton growers in particular. The Cotton Proposal was raised by the African nations of Benin, Burkina Faso, Chad, and Mali. These developing nations argued that the cotton subsidies in the developed world negatively affected their industry. They called for the subsidies in the developed world to be eliminated and asked for compensation in the interim. The United States' position targeted the textiles sector more generally, refusing to discuss any cuts to subsidies in their own cotton industry. In addition, the developing nations argued that the United States, the European Union, and Japan had raised the overall levels of agricultural subsidies since the 1994 Agreement on Agriculture, violating the spirit of the WTO and creating pressures favouring further intensification and industrialization of agriculture. On the last day of the talks, the so-called Singapore issues (trade and investment, trade facilitation, transparency, competition) were given priority in the discussion, leaving some of the African developing nations upset. The European Union and developed nations were pushing new items onto the agenda at a time when the developing nations felt their issues related to agriculture should take precedence.

Under the concept of "single undertaking," all the members must come to agreement in order for proposals to pass. Members could not agree on the agriculture and cotton issues. In addition, the Ministers did not agree either on the launch of new negotiations on the Singapore issues. The African Union countries stood their ground and refused to agree to any additional negotiations without progress on agriculture. There was a definite split between the developing and developed world, signaling both a rise in the developing nations' autonomy and sense of regionalism within the WTO. While developing nations did set part of the agenda at this meeting, the future of the WTO could be compromised by the inability of all parties to negotiate. After the talks collapsed, the United States and European Community noted that the WTO's decision-making structure is problematic, opening up the possibility of changes to the structure or methods of compromise.

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