



1

INTRODUCTION: CREATING CONTEXT AND UNVEILING CRUCIAL ISSUES

*Martin Piñeiro
and Valeria Piñeiro*

BACKGROUND AND CONTEXT

The World Trade Organization's (WTO) 12th Ministerial Conference (MC12) was held in June 2022 in Geneva, Switzerland, after a year-long delay due to COVID-19-related travel restrictions and other disruptions. The same year, a new wave of export restrictions and trade disruptions resulted from Russia's invasion of Ukraine earlier that year, adding to the disruptions brought on by the pandemic. In many ways, these events were the beginning of geopolitical changes that have now led to a profound transformation in the structure of production and trade, including a growing tendency toward protectionism.

MC13 took place in Abu Dhabi, United Arab Emirates, in February 2024. Little progress was made in general, but especially in relation to agricultural trade. With respect to the latter, the main discussion centered on reducing trade-distorting agricultural subsidies to ensure fair competition, improving market access for developing countries by lowering tariff and nontariff barriers, addressing export restrictions to ensure stable supplies during food crises, and providing flexibility and support to developing countries through special and differential treatment. Additionally, strategies were discussed to enhance global food security amid challenges such as climate change and conflicts, aiming to create a more equitable and sustainable global agricultural trading system. However, positive outcomes from these discussions were few and not very significant.

The inability to achieve significant outcomes was mainly the result of the profound changes taking place in the international geopolitical and trading context. These changes have exacerbated the underlying problems that have negatively affected the WTO's negotiating processes in general-and agricultural trade agreements in particular-over the last two decades. The evolving geopolitical context has not only modified the political and institutional environment in which trade negotiations take place but also changed the perspectives and priorities of some countries that are main players in the organization. Consequently, they have also changed the relative priority of different problems on the negotiating table and available alternatives that could present a way forward.

This confluence of dramatic changes in the geopolitical trade environment and the absence of substantive advances in the negotiation process of the organization's overall agenda-and for agricultural issues in particular-has generated a sense of frustration and urgency. Taking a positive perspective, this frustration and urgency may result in a willingness to consider bolder

propositions that had not previously been acceptable. It is only with different, innovative new perspectives that progress can be made. Not doing so will endanger not only the negotiating processes but the very existence of the WTO.

This generalized feeling is behind the proposition made by Allan Wolff, a knowledgeable and respected voice in trade and WTO matters, when he says that the ministers should undertake profound institutional reforms¹. But, recognizing that this outcome is unlikely, he has also suggested a short list of difficult but necessary areas of institutional reform. Three of them are of primary importance for improving the global trade environment and have special relevance for agricultural trade agreements:

1. Restore the dispute settlement mechanism
2. Establish the concept of open plurilateral agreements, granting them a clear legal status within the WTO's body of agreements
3. Adopt an agreed-upon framework for international cooperation to strengthen global food security²

These three institutional reforms, as well as other suggestions made by Wolff, substantiate his argument that the main priority of member countries engaging in agricultural trade negotiations must be to “restore the promise of the WTO to be a place where trade agreements can be negotiated, and where trade disputes are settled³.”

It is clear that to respond to Wolff's very ambitious suggested objectives, member countries and the WTO management team should address the very substantive and politically charged issues mentioned above, which mainly relate to the WTO's overall structure and the procedures and rules by which deliberations and agreements take place.

Along this same line of thought-and thinking about the particular problems that exist in agricultural trade and negotiations-Wolff has suggested the need to adopt a work program for negotiating agricultural reforms. This should include a balance between the issues that have been at the center of discussions

¹ Wolff, A. 2023. “What's at Stake for America at the Upcoming WTO Ministerial Conference (MC13) at Abu Dhabi in February 2024? Notes for Remarks.” Panel discussion at “What's at Stake for the United States at the 13th WTO Ministerial?”, Center for Strategic and International Studies, Washington, DC, November 20. <https://www.pjie.com/commentary/speeches-papers/whats-stake-america-upcoming-wto-ministerial-conference-mc13-abu-dhabi>

² This third proposal could be expanded to include the conceptual articulation between environmental standards and trade regulations.

³ Wolff 2023, 3.



and disputes during the last two decades and relatively newer issues that have emerged and/or become more urgent because of the evolving geopolitical context. This perspective could serve as a general framework to define the main agenda of work leading to MC14.

Following this thought process, it seems clear that the discussions held during the next year and a half before MC14 should be organized around the following pillars: the first pillar includes the negotiating themes that are directly related to the Agreement on Agriculture and are still unresolved. The second pillar includes a collection of themes that have not been adequately addressed within the organization and urgently need to be incorporated into the main agenda.

For the first pillar's themes, which have been at the center of the discussion for some time, a review of discussions in the WTO and of the general literature on the subject suggests that three considerations hold long-term importance:

1. **Reducing subsidies and market distortions** that provide unfair advantages to some producers and distort global trade. The discussion on repurposing subsidies relates directly to this issue.
2. **Enhancing global food security through trade regulations** that strengthen and protect local food supplies in net-importing countries, as well as trade liberalization measures that increase productivity and trade possibilities for net-exporting countries.
3. **Addressing nontrade concerns** such as environmental issues, sustainability, animal welfare, and food safety standards by establishing guidelines that address these concerns while avoiding the creation of trade barriers.

For the second pillar, whose themes have newly emerged from the rapidly changing technological and geopolitical context, a wide-ranging,

controversial, and less-structured discussion is taking place in academic and political forums. In these discussions, the following three themes appear especially relevant and challenging for agricultural trade. These themes shape the overall perspectives and concerns that are addressed in this book:

1. Trade and technological tensions that emerge from growing economic competition between major economies pose challenges for compliance with trade rules and agreements. These include the establishment of new trade standards and norms, which should be agreed upon in the context of the WTO environment.
2. Supply chain resilience and security. Recent disruptions from the COVID-19 pandemic and global economic decoupling have highlighted existing vulnerabilities in global supply chains. Enhancing supply chain resilience and establishing new types of trade agreements that address the food supply insecurities of net-importing countries have emerged as new opportunities.
3. The incorporation of trade agreements has not been fully considered in WTO negotiations. These agreements fall into two categories: the first consists of plurilateral agreements and the second of so-called “mini-agreements.” These mini-agreements include aspects not related to tariffs, such as trade facilitation, environmental concerns, quality and safety standards, and other specific aspects of trade conditionalities.

THE ONGOING DISCUSSION IN THE WTO AND THE INTENDED CONTRIBUTIONS OF THIS BOOK

The WTO's Director General has strongly encouraged member countries to consider some of the issues identified above and attempt to make progress through substantial reforms to and innovations in the topics considered and the way in which member countries work within the WTO.

This book aims to contribute to the ongoing analysis and discussion taking place around the first pillar, with special reference to the ongoing discussion within the WTO. These topics are considered through a broad perspective

that encompasses the changes taking place both in global geopolitics and in technology, and the way these changes affect trade in general and agricultural trade in particular. The analytical perspectives incorporate the views and special concerns of Latin America.

In the first of this book's nine chapters, the authors describe the geopolitical shifts and changing institutional landscape observed at the WTO. Following this discussion, chapters III to VII deal with ongoing agricultural negotiating priorities, including the three topics most discussed in 2023: public stockholdings, domestic support, and export restrictions. Chapters VIII and XI address new concerns around environmental considerations and their relation to agricultural trade. The analysis presented in these chapters emphasizes two important topics that have gained importance in multilateral discussions: the strong yet difficult relationships that exist between environmental concerns and agricultural trade, on the one hand, and food security concerns and agricultural trade, on the other. The discussion focuses on how to achieve a responsible and effective relationship between these considerations. Finally, Chapter X presents ideas and recommendations on how to build pathways for a possible way forward.