The Doha Development Agenda (DDA) is in limbo. After ten years of hard work by skilled negotiators, seeking to identify the interests of different participants and to reconcile them into an overall agreement, no conclusion is in sight. A Doha-weary world faces a difficult “trilemma”: to implement all or part of the draft agreements as they stand today; to modify them substantially; or to dump Doha and start afresh. At this critical juncture, this volume aims to provide a better empirical basis for informed choices. It addresses the questions that are relevant to each of the possible scenarios. What benefits precisely does Doha currently offer individual participants and what would be lost if Doha were abandoned? What are the implications of potential modifications proposed to the Doha drafts? And if the WTO did start afresh, what have we learnt from Doha about ways to go?

What does Doha offer?

One of the key impediments to reaching an agreement is the widespread skepticism about what the DDA will actually deliver in terms of market access. The book shows that the current Doha proposals – even after allowing for flexibilities such as for sensitive and special products – would cut applied tariffs on agricultural and non-agricultural (NAMA) goods by around 20 percent. The agricultural proposals also include abolition of export subsidies and sharp reductions in maximum levels of domestic support, especially in the EU and the USA. The global gains are conservatively estimated to be around $160 billion per year from the agricultural and NAMA agreements alone. The true gains would be larger because the proposed cuts in bound tariffs (an average of 27 percent in agricultural and 46 percent in non-agricultural goods) would reduce the uncertainty associated with the current large gaps between applied and bound tariffs.

In services, current Doha offers improve on countries’ previous commitments by about 10 percent leaving them on average twice as restrictive as actual policies. Even with highly probable additional offers in the closing stages of negotiations, it seems likely that Doha will offer modest improvements in security of market access rather than substantial new market access.

The negotiations attempt to ensure that the least-developed countries (LDCs) benefit by granting them Duty-free Quota-free access on almost all their exports to industrial countries, and to some developing countries. This would help the LDCs but analysis in this volume finds that excluding even three percent of tariff lines – as currently envisaged – would sharply reduce the value of this market access.

The Trade Facilitation Agreement focuses on trade cost-increasing administrative and regulatory measures whose reform could significantly promote trade growth in developing countries. In parallel, the “aid for trade” initiative would play a valuable catalytic role in mobilizing trade-related assistance directed to enhancing export capacity in poor countries. The evidence reviewed makes a case for focusing aid-for-trade assistance in areas such as customs administration, transparency, and government procurement, where the returns appear to be much larger than if resources are spread across a broader range of issues.

What about the unresolved issues?
Standing in the way are disagreements over – among other things – whether there should be a movement to free or freer trade in specific sectors, the design of a special safeguard mechanism (SSM) in agriculture, and the practice of zeroing in anti-dumping actions in the US. This study presents evidence that deeper liberalization in the sectors being considered for sectoral agreements could treble the trade expansion from reforms in non-agricultural trade. In agriculture, the evidence reviewed suggests that the proposed SSM envisaged for developing countries, with quantity and price triggers, could both reduce market access and increase the instability of world and domestic markets. Zeroing in US antidumping is a relatively "small" economic issue in terms of its overall importance for trade flows, but has been the subject of more than 13 percent of WTO Panel investigations and almost 20 percent of WTO Appellate Body reports between 1998 and 2010. And while WTO litigation on zeroing has to date mainly involved exporters from high-income economies, zeroing is also likely important for developing country exporters, with over 60 percent of the products currently subject to US antidumping exported by developing countries.

What lessons for future negotiations?

This analysis provides some suggestions for any future negotiations whether under the current or a redefined agenda. First, in negotiating cuts in tariffs, top-down formulas with very sharp reductions in the highest tariffs as used in the Doha negotiations are economically desirable. However, they may generate political costs even more rapidly than economic efficiency gains, and lead to intense pressure for exceptions from the formula. Better outcomes might be achieved through less aggressive top-down formulas – even proportional cuts – especially if combined with a requirement that countries "pay" for any exceptions. Second, in agriculture, the limited disciplines on export restrictions hurt the confidence of importers that world markets would be a reliable source of food supplies. Negotiating disciplines on both import and export restrictions, and dealing explicitly with both food security and price insulation issues could lead to a more desirable negotiated outcome. Third, in services, market access negotiations have floundered in large part because of inadequate attention to the regulatory context in which any liberalization must take place. Greater progress might be made by addressing regulatory weaknesses in developing countries and promoting international regulatory cooperation, especially in areas like financial services and labor mobility (mode 4).

Finally, this volume identifies several critical trade-related matters that lie outside the DDA, such as the trade and trade policy implications of climate change mitigation, exchange rate management, food security, oil and energy security. Reaching closure on Doha is important not just because of the benefits it offers, but also to create the space for some of these issues which crave multilateral cooperation, though not necessarily in the WTO alone.