April 30, 2012

“Negotiating North-South Dynamics and the Philippine Experience in the WTO*”

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Introduction

The current global status is constantly being challenged by developing countries in various diplomatic arenas and one of the more prominent current venue for North-South contestation is seen in the World Trade Organization (WTO) negotiations. The Philippines’ entry into this sphere of multilateral trade contestation began when it became a founding member of the WTO in 1994 when it ratified the General Agreement on Tariffs and Trade (GATT)-Uruguay Round. The Uruguay Round was the 8th round of multilateral trade negotiations (MTN) conducted within the framework of GATT which began in 1986 and included 123 countries as “contracting parties”. The Round transformed the GATT into the WTO. This made the Philippines a founding member of the WTO an institution created to establish a strong regulatory framework in support of increased trade liberalization. Apart from the supposed benefits of a rules-based system, the perceived advantages of multilateralism in international trade gave impetus for entering into the treaty.

In relation to this, my paper elucidates how domestic and external factors have enabled the Philippines to negotiate North-South dynamics in the WTO to pursue its objectives. It will look particularly into North-South negotiations during the Doha Development Round (hereinafter referred to as the Doha Round) or the Doha Development Agenda (DDA) concerning the WTO Agreement on Agriculture (AoA) which pitted the developing countries versus the developed countries. The latter was demanding the former to lower its tariff on agricultural products coming from the North while the former was demanding the latter to remove its subsidies for their agricultural farmers as well as its protectionist policy in their respective agricultural sectors. As of 2008, North-South talks have stalled over a divide on major issues, such as agriculture, industrial tariffs and non-tariff barriers, services and trade remedies.

The first part of the paper will therefore highlight the domestic factors which helped shape the negotiating policy of the Philippines in the WTO. These will include 1) executive monopoly of the WTO negotiations; 2) issue-based fragmentation and dispersal of authority; 3) the autonomy and flexibility of the Philippine WTO negotiator; 4) the central role of the Department of Agriculture as the lead agency in the WTO negotiations; and 5) the involvement of civil society in the WTO negotiations.

*Paper to be presented in the International Political Science Association, July 8 to 12, 2012, Madrid, Spain. This paper is a revised version of the paper presented for the Salvador P. Lopez Centennial Conference, November 17, 2011, Recto Hall, College of Arts and Letters, University of the Philippines, Diliman.

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The second part, on the other hand, will examine external factors which has had an impact on the Philippine’s negotiating strategy. The external factors include the 1) the centrality of agriculture as the major issue among the developing countries; 2) the strong solidarity among developing countries; 3) confinement to particular issues with regards to coalition-building; and, 3) coalition-building and the pursuit of the state’s interests.

The paper argues that despite being a seemingly “weak” country, Philippine diplomacy was able to bring about incremental gains not only for its benefit but also for the good of its fellow developing countries. This can be attributed to domestic as well as external factors which have helped shaped the country’s negotiating strategy. By doing so, the paper hopes to contribute to the growing literature on the extent to which weak, developing countries like the Philippines are able to make inroads with regards to achieving their aims in WTO negotiations particularly vis-à-vis the more powerful advanced industrialized countries.

I. Domestic Factors Influencing the Philippine Negotiating Strategy

Putnam’s “Two-Level Game” Model highlights the importance of the intertwining of domestic and international factors in shaping the negotiating policy of a country. As he pointed out,

at the national level, domestic groups pursue their interests by pressuring the government to adopt favorable policies, and politicians seek power by constructing coalitions among these groups. At the international level, national governments seek to maximize their own ability to satisfy domestic pressures, while minimizing the adverse consequences of foreign developments (Putnam 1988, 434).

In relation to this, trade ministers—the de facto WTO Chief Negotiators—must face domestic constituents, most of them with narrow self-interests, at the bargaining table. On economic issues, the business sector is likely to pursue its concerns actively and lobby politicians incessantly. A perspective which emerges from here is that “the first and most important tool that developing countries must employ to enhance their participatory abilities in the WTO is at the national level” (South Centre 2001). It is thus important to look at the process by which the country’s negotiating position is crafted domestically and how these feeds into the negotiating strategy of the Philippines.

A. Executive Monopoly

Both the executive and legislative branches of government are responsible for the formulation of trade policies. In practice, however, the executive exercises monopoly over the trade policymaking process with the legislature stepping up its function only during ratification of treaties. The executive, thus, inevitably dominates the GATT
negotiations. Since international trade agreements are under the realm of Philippine foreign policy, theoretically, the Department of Foreign Affairs (DFA) represents the Philippines regardless of the bargaining context or venue. On the WTO negotiations, the DFA is the officially accredited agency. Nonetheless, during high-level meetings such as ministerial summits, an ad hoc contingent is constituted, with the secretary of the Department of Trade and Industry (DTI) appointed as head of delegation. The WTO used to be an ancillary function of the Philippine Mission to the United Nations. After the Philippines played important roles in the Fifth Ministerial Conference and the General Council meetings of the WTO, the President established a specialized negotiating team from various agencies solely dedicated to the governance and negotiation issues of the WTO. In 2004, through an executive order, the Philippine Mission to the World Trade Organization was created with a permanent representative from the DFA overseeing the post in Geneva. Previously, it was an ancillary function of the Philippine Mission to the United Nations. This only followed the pattern of other countries.

The anchor element of the Philippine Mission to the World Trade Organization is getting the mandate of the capital, i.e., Manila, as regards to the priority of the negotiations. As head of the Geneva mission, the head of the Philippine Mission to the WTO reports to the Secretary of the Department of Foreign Affairs and also closely coordinates on an inter-agency basis with the various government units, e.g., DA for agriculture, DTI on industrial goods and the NEDA for services. The technical support on a day-to-day basis is provided for by the foreign trade service corps of the Department of Agriculture (DA) and DTI. The WTO Mission and capital-based executive offices, especially the DA, DTI, and the National Economic and Development Authority (NEDA) take care of the Doha Round negotiations.

In the Doha Round, similar to Brazil and India, the insulation of trade policymaking and the executive monopoly of the WTO negotiations have worked to the Philippines’ advantage. A core of bureaucrats that possesses institutional memory of the GATT and maintains a pragmatic approach to bargaining has ensured that the lead agencies in the negotiations are shielded from the partisan politics and particularistic concerns. In addition, trade negotiators are not bogged down by the conflicts that arise from executive-legislative power struggle, especially when economic interests are at stake. They are thus given the latitude to take up different negotiating strategies, including coalition building.

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1 Interview with a staff of the Geneva-based South Centre, who has worked closely with developing country delegations in the WTO, 1 April 2008.
2 Interview with a member of the Philippine Mission to the WTO, 28 April 2008.
4 Interview with a member of the Philippine Mission to the WTO, April 28, 2008.
B. Issue-based Fragmentation and Dispersal of Authority

Like most developing countries, the Philippines does not have a single agency that deals with WTO matters. Compared to the Uruguay Round, where the DTI exclusively controlled the Philippine trade agenda, the Philippine government assumed a more dispersed structure of authority in the Doha Round. In terms of the substance of the negotiations, there has been a de facto diffusion or division of labor among the DA for the Agreement on Agriculture, the DTI for the Non-Agriculture Market Access (NAMA), and the NEDA for the General Agreement on Trade in Services (GATS). With the DA-DTI-NEDA triumvirate concentrating on their own concerns, the institutional framework for WTO negotiations in the Philippines is thus fragmented; each agency crafts its own position independently. Fragmentation has, thus, offered negotiators elbow room to carry on strategies to meet their objectives in the bargaining table. With multiple centers of power, trade representatives are able to avoid standoffs that result from jockeying and tug-of-war among the agencies, which are often associated with rigid and centralized structures. As such, negotiators as well as their staff are not slowed down by conflicts within the bureaucracy and have the liberty to follow tactics that each agency has devised, in close dialogue with the WTO Mission. For instance, DA personnel, through Geneva and without the intervention of the DTI or the Committee on Tariff and Related Matters (TRM), headed by NEDA, laid the groundwork for the Philippines’ collaboration with other developing countries in the Group of 20\(^5\) (G20) Developing Countries and the Alliance on Strategic Products and the Special Safeguard Mechanism (more popularly known as the G33\(^6\)). Likewise, as the alliances in the WTO have been largely issue-specific and the negotiations in the WTO have been agreement-based, separation and specialization of tasks and responsibilities is an institutional adaption undertaken in reaction to changes in WTO politics. Fragmentation among the agencies is possible because it also reflects the state of the WTO negotiations. While a fragmented structure does not fully guarantee autonomy, in the case of the Philippines, it gives trade negotiators the means to adapt to changes in the political environment of complex negotiations.

\(^5\)The G20 is composed of Argentina, Bolivia, Brazil, Chile, China, Cuba, Ecuador, Egypt, Guatemala, India, Indonesia, Kenya, Mexico, Nigeria, Pakistan, Paraguay, Peru, Philippines, South Africa, Tanzania, Thailand, Uruguay, Venezuela, and Zimbabwe.

\(^6\)G33 whose agenda is for developing countries to be allowed to self-designate certain strategic products that would not be subjected to tariff reductions or new commitments and to institute a special safeguard mechanism to protect their domestic markets;
Its members are Antigua and Barbuda, Barbados, Belize, Benin, Bolivia, Botswana, China, Cote d’Ivore, Congo, Cuba, Dominican Republic, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, India, Indonesia, Jamaica, Kenya, Korea, Madagascar, Mauritius, Mongolia, Mozambique, Nicaragua, Nigeria, Pakistan, Panama, Peru, Philippines, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Senegal, Sri Lanka, Suriname, Tanzania, Trinidad and Tobago, Turkey, Uganda, Venezuela, Zambia, and Zimbabwe.
C. The Autonomy and the Flexibility of the Philippine WTO Negotiator

Another important trait which factors into the crafting of the WTO negotiating position in the Philippines is the autonomy and the flexibility of the Philippine WTO negotiator. In general, the Philippine president will give her guidance and instructions with regards to the negotiating position but it is usually the lead agencies like the DTI and the DA who are in the forefront in the negotiation process. But more importantly, the President has also upheld the positions of the Philippine negotiators particularly when confronted by the “bullying” tactics of U.S. representatives. Another trait of the autonomy and flexibility of the Philippine WTO negotiator is that these are usually the deputies of the lead agencies who through years have developed the technical expertise and substantive knowledge in WTO negotiations. They, therefore, have come to possess the continuity and institutional memory which enables the Philippines to play a key role in the negotiating process. Thus, it is not surprising that DA and DFA WTO negotiators, Undersecretary for Policy, Planning, Research and Development, Department of Agriculture Segfredo Serrano and Undersecretary for International Economic Relations, Department of Foreign Affairs Edsel Custodio respectively through the years have gained the stature not only nationally but internationally to attain the leadership role of the Philippines with Indonesia in the Group of 33.

D. The Central Role of the Department of Agriculture as the Lead Agency in the WTO Negotiations

The pros and cons of the domestic factors which define the Philippine negotiating position can be best elucidated by the experience of the Department of Agriculture (DA) which has emerged as the lead agency in the WTO negotiations because of the centrality of the agriculture issue not only domestically but also internationally. The DA has generally taken advantage of the positive aspects of the executive monopoly of WTO negotiations, the fragmented nature of the crafting of the Philippine WTO negotiating position as well as the autonomy and the flexibility of the negotiators which has fed into the country’s coalition-building strategy. The reasons for this are the following:

Agriculture as the major focus of the Philippine negotiating position. One major factor for this was the focus on agriculture as the most important and contentious issue in the WTO. It was, therefore, inevitable that the Department of Agriculture (DA) would take the lead role in thrusting it into such a powerful position. The strength of its position was further reinforced when the Philippines became a member of the G20 which

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7 Interview with key DA trade negotiator, February 1, 2008. Interview with member of the Philippine Mission to the World Trade Organization, April 28, 2008.
8 Interview with DA and DTI trade negotiators (anonymous),
10 Interview with Walden Bello, Former Executive Director, FOCUS on the Global South, April 3, 2008.
is regarded as the most influential coalition in Cancun (Hurrel and Narlikar 2006, 420). It is considered as a one-issue grouping whose central target is the developed countries’ agricultural protection”, (Draper and Sally 2005,95). As for the NAMA and the GATS which the DTI and the NEDA are in-charge off, these issues were not of importance thus there was no need for DA to coordinate its negotiating position in agriculture with these concerns. What further reinforced the DA position was the support it received externally by the position of the G20 in Cancun which was one of extreme offence and extreme defence” as “it pressed for significantly greater developed country liberalization as a precondition for meaningful liberalization of the G20 members’ own markets”(Draper and Sally 2005, 5).

The leadership of the DA WTO negotiator. The flexibility and the autonomy of the trade negotiator does not inevitably make for something positive in the negotiations but it is more of how the trade negotiator is able to take advantage of this. It is in this sense that the leadership of the DA WTO negotiator is crucial in defining the Philippine position in the WTO. In this case, it is in the person of DA Undersecretary Segfredo Serrano with the support of his then Department of Agriculture Secretaries. Given the flexibility of the WTO trade negotiator, Serrano basically defined the mind-set he was to assume and this was to fight against the developed countries' policies of limited market access for the produce of developing countries as well as the subsidies they provide for the produce of their domestic markets. Moreover, there was the need to assume a defensive strategy to prevent further erosion of Philippine agriculture which was actually not part of a longer development strategy. Thus, the position was not ideological but pragmatic and a technocratic kind of defense.12

The involvement of civil society in negotiations in the agricultural sector.13 The other major objective of the DA was to gain the support of civil society, i.e., the domestic constituency of the agriculture sector which ranges from members of the Philippines powerful oligarchic elite to activists in the anti-WTO movement. The challenge was how to balance the varying interests and to reflect this in the country’s negotiating position. Moreover, how does one reconcile these domestic needs with international obligations. Getting the support of key sectors in civil society was a universal lesson learned in the Battle of Seattle in November 1999 whereby the WTO was attacked by over 5,000 anti-globalization protestors which eventually led to the conference ending in “acrimony, with many developing countries objecting to what was seen as American attempts to impose its own agenda (Hague and Harrop 2004, 4). Thus, there was a need to harness civil society to push for its position in the WTO particularly against that of the advanced industrialized countries such as the U.S. and the European Union. As pointed out global liberalism is “not just a top-down process” but it can be amended from below where negotiations matter. (Singh 2000, 449). For the DA, effective negotiations can

12Interview with Walden Bello, Former Executive Director, FOCUS on the Global South, April 3, 2008.
only be gained by involving civil society actors so as not to suffer another Seattle
debacle whereby the WTO suffered from a democratic deficit which limits their
legitimacy with the general public” (Hague and Harrop 2004,34).

This perspective was further reinforced in the Uruguay Round whereby civil-
society groups were locked out of the domestic negotiation process, resulting in a highly
controversial and tumultuous battle on the ratification of the treaty in 1994 (Cajiuat and
Regalado 1997). The trade representatives were castigated for keeping the public in the
dark on the various concessions they had signed up the Philippines into. They earned
the ire not just of social movements but industries as well. As a consequence, the
implementation of the GATT-UR lacked the requisite support from its stakeholders. In
addition, government consultations with affected sectors, which were purely symbolic
rather than substantive, took place only when the agreement was already in final form.
Significant miscalculations were made in the Philippines' schedule of commitments, as
the negotiating team lacked sufficient information on the state of the industries.14

Conscious of these missteps in the past, the negotiators have cultivated strong
ties with civil-society organizations15 in the Doha Round negotiations for two reasons.
One is to tap their invaluable resources, in terms of knowledge of their particular
sectors. The other is to seek legitimacy and political backing for official government
positions taken. Economic negotiations such as the WTO are highly technical and
complex and the use of rhetoric and moral persuasion does not suffice. For instance,
trade negotiators discuss terms on the coefficient for the adoption of a particular formula
in further tariff cuts. Unfortunately, the Philippine government lacks complete data on
each agricultural commodity or on the condition of industries. Involving stakeholders in
the negotiation process is therefore a critical step towards developing technical
expertise. At the same time, it also lends greater legitimacy to the positions that trade
negotiators have taken.

The ideal situation is for each agency to be in close contact with its
constituents and formal venues have been instituted to meet these ends. A model that
other executive offices and civil society have looked up to is the Task Force on WTO
Agreement on Agriculture (Re)negotiations or TF-WAAR, organized in September 1998
by the secretary of the DA William DAR, under the Estrada Administration (1998-2001)
through a special order.16 TF-WAAR (which later became TF-WAR in 2001) is a
multisectoral consultative body composed of twenty-eight representatives from state
institutions and agencies, which have a key participation in trade policymaking and
stakeholders, which include the Coffee Foundation of the Philippines, the Federation
of Free Farmers, National Federation of Hog Farmers Inc., Philippine Association of Meat
Processors Inc., Philippine Institute for Rural Development Studies, and the Philippine

15 Civil society consists of non-state actors and these include the private sector (Clark 2003, 4).
16 Special Order No. 538, issued by the Office of the Secretary, Department of Agriculture, 28 September 1998.
Sugar Millers Association. Its main responsibility is to consider, develop, evaluate, and recommend Philippine negotiating positions and strategies on agriculture. The DA generally opened the membership to interested parties on condition that the members cannot demand the “junking” of the WTO but instead work with the parameters which have already been defined by the WTO and to see what would work best for their respective interests. Among the TF-WAR’s major tasks was to simulate the negotiations and the process of decision was to be arrived at was one of consensus.

The institutionalization of the TF-WAR is also best understood as a phenomenon which can also be found in other developing countries whereby changes in insider activism “may be better analyzed within the broader framework of institutional adaptation” (Hurrel and Narlikar 2006, 425). The TF-WAR in particular enabled the government to come together with civil society ranging from the powerful sugar bloc to farmers organizations. Together they framed the issues of the Philippine position which it is able to present in the coalition blocs like the G20 and the G33 where the Philippines is represented. Such a situation gives a chance for civil society to propose with regards to the policy direction of agriculture. Such a move is perceived as beneficial to the negotiating position of the Philippines in particular and to developing countries in general as this helps to foster a better understanding between member states, the corporate sector, and NGOs in international economic institutions whereby “it is important that developing countries do not view NGOs in simplistic terms of us (i.e., the marginalized member state of the WTO) vs. them (NGOs) which tow the line of the developed countries by introducing labor and environmental issues and deflecting attention from the issues that are of importance to developing countries” (South Centre 2001). The bringing in of civil society participants in the formulation of the DA negotiating position also brings to light the spirit of the formation of the G20 coalition at the Cancun meeting in 2003 which “represented a revival of the Third World coalition spirit, although now focused on the specific agricultural interests of the developing countries” (Soares de Lima and Hirst 2006, 27).

This context shaped the policies which the DA as well as the TF-WAR members wanted to pursue. They identified, for example, with the developing countries during the Uruguay Round which found the proposal on the market access as “most insensitive to the needs of developing countries many of which had been arguing that they would not be able to undertake substantial reduction of their tariffs due to their rural development, food and livelihood security needs…” This led to the formation of the G-20 (Aggarwal 2005, 741). The sentiment brought about in the TF-WAR was to strengthen the position of the developing countries vis-à-vis the developed and the negotiating position which emerged within the TF-WAR a position which was also embodied in the Fifth WTO

17 Other TF-WAR members from the private sector include the Philippine Chamber of Food Manufacturers, National Onion Growers Cooperative, Philippine Association of Hog Raisers Inc., Sanduguan, Pambansang Kilusan ng mga Samahang Magsasaka, Caucus of Development NGOs, and Philippine Business for Social Progress.

18 Interview with member of the Philippine Delegation to the Sixth Ministerial Conference of the World Trade Organization, 24 January 2008; Interview with member of TF-WAR, 22 January 2008; Interview with Special Trade Representative to the Philippine Mission to the WTO, January 31, 2008; Interview with key trade negotiator, February 1, 2008; Interview with Jose Maria Zabalate, Former Executive Director, Philippine Sugar Millers Association, March 13, 2008.
Ministerial Conference at Cancun, Mexico during 10-14 September 2003, G-20 alliance of developing countries whereby the negotiations on agriculture was “largely viewed as a contest between the EU-US on one side and G-20 alliance on the other” (Aggarwal 2005, 750). The TF-WAR members were also able to find unity with the government with regards to the issue of democracy within the WTO. This was on the concern for transparency and accountability. At the same time, the TF-WAR was also aware that “even after some improvement in transparency, the problems of attendance and knowledgeable participation continue as far as developing countries with small or no delegations in Geneva are concerned” (South Centre, 2001). Another rationale in bringing forth the participation of civil society in the DA negotiating position was the reality that if “the process of functioning is transparent and accountable, the legitimacy of the organization and the sustainability of its decisions increase substantially. In the absence of such legitimacy, Prague, Seattle and Genoa are the obvious consequences” (South Centre 2001).

Developing the expertise. In 2002, the TF-WAR core group was formed to improve technical work and enable a quick response to the developments in the negotiations through simulation. It consists of five members from the private sector who sit in their individual capacity—they do not represent a particular sector. As the chair of the TF-WAR core group is also the trade negotiator for agriculture, responsiveness and timeliness of feedback is ensured. The importance of the TF-WAR core group was the absence of a pool of experts within the DA to craft its negotiating position. It was also a recognition that civil society had the knowledge and resources which could be tapped. The TF-WAR’s negotiating position was also helped by the generation and sharing of information as seen in the run-up to and during the Cancun Ministerial Meeting. This was exemplified in particular by “the Like-Minded Group under India’s leadership (Rolland 2007, 496). Furthermore, the group also formed stronger negotiated-oriented coalitions (such as the G-20) which has a strong research base, bringing together knowledge from government institutions as well as the private sector and non-profit NGOs, but which also became a negotiation platform” (Rolland 2007, 499). A recent development which has helped further the technical expertise of the DA negotiating teams is that the WTO Secretariat “now provides technical and financial assistance to support various coalition building efforts…”(Patel 2007, 17-18).

The formation of the TF-WAR proved to be a major factor contributing to the strength of the Philippine bargaining position which fed into the country’s alliance-building at the international level, as proposals are informed and supported by stakeholders. In addition, civil-society groups in these councils can disseminate to and persuade their international networks to advocate similar positions to their governments, bringing the positions of developing countries closer to each other. For instance, parallel interactions between TF-WAR members and their private sector counterparts in other countries have long existed. As Baracol (2005) explains,

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19 For a more detailed discussion of the workings of the TF-WAR, see Baracol 2005.
At the WTO level, the advocacy of developing countries may even be strengthened, through a consistent and coherent position around issues of common interest to stakeholders across developing countries, which creates an "informal" or silent alliance between these same countries when they articulate and advocate their views in Geneva.

Gaining the confidence of the executive. The flexibility and the autonomy of the DA negotiators is reinforced with its ability to cultivate the Philippine president’s unwavering support. This can be attributed to the leadership’s recognition that the DA position is strongly supported by the major players in the agricultural sector. The same situation is true with regards her position to external pressure particularly the “bullying tactics” coming from the powerful countries. As pointed out by a Philippine trade negotiator, he was called to come home by his home office because the Americans talked to the President and complained about the Philippine negotiating position and he was asked to answer these complaints. Such is the realpolitik of WTO negotiations whereby it was observed that in Cancun, the United States and the EU did not engage in real negotiations on agriculture. They resorted to political maneuvers which also include the attempt to split the G-20 by exploiting the differences in positions of its members. Their inability to negotiate with G-20 was perhaps one of the factors that eventually led to the collapse of the Cancun Ministerial Conference” (Aggarwal, 2005, p. 750).

II. External Factors and the Philippines’ WTO Negotiating Strategy

These domestic factors which have shaped the country’s negotiating position have also interacted with external factors in the WTO arena. These could be seen in the following aspects: One is the emergence of coalitions in the WTO which has led the Philippines to adopt a strategy of coalition-building in the Doha Round. Impetus for this was given during the pre-negotiation phase of the Uruguay Round from 1982-1986, when the Philippines joined a corps of developing countries called the G-20, which served as a bargaining coalition for the inclusion of services in the Uruguay Round. This later merged with a group of nine developed countries to form the Cafe au Lait group, whose proposals, in the end, catalyzed the launch of a new phase of negotiations in Punta del Este (Yu 2007, 26). In the actual round, although most developing countries ‘operated primarily on a country basis’22, the Philippines, then referred to as a major agricultural exporter, saw itself with strange bedfellows such as Australia and Canada in the Cairns Group of Fair Trading Nations23, which became a powerful third force in the negotiations, particularly in building confidence among the major players and offering a viable and rational middle ground position that allowed the negotiations to move forward

20 Interview. Anonymous.
21 This was composed of Bangladesh, Chile, Colombia, Ivory Coast, Hong Kong (China), Indonesia, Jamaica, Korea, Malaysia, Mexico, Pakistan, Philippines, Romania, Singapore, Sri Lanka, Thailand, Turkey, Uruguay, Zambia, and Zaire (now Democratic Republic of Congo).
23 The Cairns Group is made up of Argentina, Australia, Brazil, Canada, Chile, Colombia, Fiji, Hungary, Indonesia, Malaysia, New Zealand, Philippines, Thailand, and Uruguay.
(Higgott and Cooper 1990, 613). Finally, the Philippines is part of the Association of Southeast Asian Nations (ASEAN), which during the Uruguay Round, was speaking collectively; however, because of its members’ inexperience in and limited knowledge of international trade negotiations, it was dependent on the actions of single-issue alliances, such as the Cafe au Lait group (Sally 2004). The Philippines did not figure prominently in these formations as it allowed other countries to speak on its behalf.

In the Doha Round of negotiations, apart from the ASEAN and the Cairns Group, the Philippines is a member of (1) the Core Group on Trade Facilitation, a cross-regional group that focuses on ensuring that the special and differential treatment and technical assistance and capacity-building mandates built into the trade facilitation negotiations are made operational and reflected in both the negotiating process and its outcomes; (2) the G20, which was formed as a response to the possible collusion of the European Union and the United States on agriculture in the lead up to the Fifth Ministerial Conference of the WTO and has been pushing for the elimination of export and domestic subsidies and greater access to developed country markets; (3) the G33, whose agenda is for developing countries to be allowed to self-designate certain strategic products that would not be subjected to tariff reductions or new commitments and to institute a special safeguard mechanism to protect their domestic markets; and (4) the NAMA 11, a coalition that is active in the negotiations on NAMA advocating the maintenance of developing countries’ tariff flexibility with respect to industrial goods and a more balanced outcome between NAMA and agriculture (Yu 2008; Constantini, Crescenzi, De Filippis, and Salvatici 2007; Hurrell and Narlikar 2006; Narlikar and Tussie 2004).

Several striking attributes of the Philippines’ coalition-building strategy are observable. First, agriculture remains the Philippines’ flagship as it is imbricated in the range of positions on agriculture through its membership in the G20, G33, and the Cairns Group. Second, reminiscent of the blocs of the 1970s, the Philippines has aligned itself with mostly developing countries, especially politically and economically influential states. Finally, all of the alliances which the Philippines belong revolve around a single issue and adhere to a technocratic approach to negotiations.

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24 Its members are Bangladesh, Botswana, Cuba, Egypt, India, Indonesia, Jamaica, Kenya, Malaysia, Mauritius, Namibia, Nepal, Nigeria, Philippines, Rwanda, Tanzania, Trinidad and Tobago, Uganda, Venezuela, Zambia, and Zimbabwe.

25 The G20 is composed of Argentina, Bolivia, Brazil, Chile, China, Cuba, Ecuador, Egypt, Guatemala, India, Indonesia, Kenya, Mexico, Nigeria, Pakistan, Paraguay, Peru, Philippines, South Africa, Tanzania, Thailand, Uruguay, Venezuela, and Zimbabwe.

26 Antigua and Barbuda, Barbados, Belize, Benin, Bolivia, Botswana, China, Cote d’Ivore, Congo, Cuba, Dominican Republic, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, India, Indonesia, Jamaica, Kenya, Korea, Madagascar, Mauritius, Mongolia, Mozambique, Nicaragua, Nigeria, Pakistan, Panama, Peru, Philippines, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Senegal, Sri Lanka, Suriname, Tanzania, Trinidad and Tobago, Turkey, Uganda, Venezuela, Zambia, and Zimbabwe comprise the G33.

27 NAMA 11 consists of Argentina, Brazil, Egypt, India, Indonesia, Namibia, Philippines, South Africa, Tunisia, and Venezuela.
A. Centrality of Agriculture

Agriculture continues to be the Philippines' overriding concern in the Doha talks and this is reflected in its coalitions. This is certainly a natural response to WTO politics as agriculture has always been the most contentious and high profile subject in the GATT-WTO regime. The rise of alliances on various aspects of the Agreement on Agriculture parallels the progress of negotiations, and there has been no movement in other issues without a deal on the agriculture modalities. Furthermore, due to an effective multisectoral consultative mechanism at the capital, which predates the Philippines' membership in the G20 and the G33, the Philippines has held an informed and cogent negotiating position on agriculture since the Doha talks commenced in 2001. With information and clear parameters for bargaining with potential allies, trade negotiators are able to make rough subjective judgments as to what degree the Philippines can accommodate other's point of view and come to terms with a collective decision. Despite its resource constraints, the TF-WAR has not only been able to generate coherent instructions, but also propositions that articulate the interests of other developing countries. In fact, the Philippines conducts studies and formulates statements for the G33. In short, in substantive terms, agriculture is at the forefront with regard to the Philippines' negotiating posture.

The Task Force has produced at least five proposals submitted to the WTO Committee on Agriculture-Special Session since 1999, none of which has been rejected by the Secretary of Agriculture, the cabinet or the president. Assistant Secretary Segfredo R. Serrano, chair of the TF-WAR, recalls that 'Many of the developing country blocs' operational concepts of SND and even the current negotiations vocabulary owe much to TF-WAR deliberations: Strategic/Special Products (SPs), Special Safeguard Mechanism (SSM), automatic countervailing/counterbalancing mechanisms, the concept of interlinkage of pillar commitments, among others.' (Baracol 2005)

At the domestic level, agriculture strikes at the core of the 35 million impoverished peasants. During the ratification of the GATT-UR in 1994, no policy has generated as much controversy as the provisions on agriculture. The sector continues to make up a very sizable portion of economic output, and for this reason, it is of prime importance in the Philippine government's bargaining strategy in the WTO (Bernabe and Quinsaat 2009, 4). Undoubtedly, executive officials, politicians, social movements, and the public have a fervent attachment to agriculture. Compared to industrial goods and services, it is much easier to rally support around the Philippines' official negotiating position. At the same time, agriculture is a concern that ties together developing countries. Although there are nuances in perspectives and policies, the collective agenda of pressing for a development-oriented agreement on agriculture has precipitated the instinctive attraction of developing states toward each other.

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28 When all economic activities related to agro-processing and the supply of non-farm agricultural inputs are included along with basic agricultural production, the sector comprises about two-thirds of the labor force and 40 percent of the gross domestic product (David 2003).

29 Interview with Walden Bello, 3 April 2008.
B. Strong Relationship with Developing Countries

While the Philippines continues to be part of the ASEAN and the Cairns Group, it has almost exclusively joined coalitions of developing countries. Notably, the Philippines shares membership with China, Cuba, India, Indonesia, Venezuela, Tanzania, and Zimbabwe in the G20 and the G33, while it works side by side with Argentina, Brazil, and South Africa in the G20 and the NAMA 11. Clearly, the Philippines is not unaccustomed to collaborating with other developing states in the GATT system. But in the Doha Round of negotiations, the Philippines has been mindful of its identity as a developing country and its association with influential states.

First, the Philippines is bound by a collective idea that the developing world has encountered similar problems in the implementation of the GATT-UR and needs to address them as a group. As a member of the TF-WAR surmises, 'only the developing countries can understand where we are coming from; thus it is logical to form coalitions with them.' The development and democratic deficits of the GATT-WTO regime, which the Doha Development Agenda and the institutional reforms undertaken within the multilateral body are supposed to address, are difficulties that developing states have raised. The presence of a common developing country interest in the negotiations--that is, for the outcome to be in keeping with the demands of the global South--has induced Philippine trade negotiators to unite with their counterparts in India or Indonesia as the process of finding bases for joint agreement and action is less tedious and acrimonious.

Second, inasmuch as shared perspectives on the issues motivate developing states to join forces, so do common experiences in coalition building. It is no coincidence that the linchpins of the G20 and G33 came from the Cairns Group. Trade negotiators from its developing country members, including the Philippines, have been largely discontented with how the developed countries in the coalition have underplayed their misgivings on the progress of the agriculture talks, especially on market access commitments. In particular, they have been wary of Canada and Australia veering towards the United States' call for aggressive tariff liberalization. Negotiators from developing countries began exploring other venues for collective bargaining. Such feeling of disenfranchisement, however, was not enough for the Philippines to leave the Cairns Group.

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30 Interview with a member of the Task Force on the WTO Agricultural Agreement (Re)negotiations, 22 January 2008.
31 The “development and democratic deficit of the GATT-WTO” pertains to the view that the GATT-WTO has not brought about economic benefits to developing countries. This has been the observation of even advanced industrialized countries who have been regularly meeting in Davos, Switzerland, every January. Such an observation has also spawned anti-globalization movements worldwide. As for the democratic deficit, this is based on the view that WTO has locked out people both in developing and developed countries in the decision-making processes at the international level. The sentiment with regards to the latter was seen in the Battle of Seattle in 1999 and was followed by other violent demonstrations in the Prague and Genoa during IMF/World Bank meetings.
32 Interview with a trade negotiator, 1 February 2008.
Finally, developing states are socialized into the WTO system through their delegates—individuals who are subjected to interpersonal dynamics. Philippine trade negotiators are entangled in the same social networks as their Indian or Indonesian contemporaries, especially with the growth of bilateral and regional economic partnership agreements; hence, differences and friction are less insurmountable. Moreover, common cultural background and orientation, particularly those coming from the same region, has allowed the emergence and reproduction of ties. Regular contacts among these emissaries in Geneva or in other places have resulted in amicable relationships on both professional and personal levels.

C. Confining Itself to the Issues

As the experience of developing countries in various bargaining platforms in the 1970s has shown, coalition building among a large number of states with divergent economic interests and differential capacity to participate prove to be unwieldy. Therefore, although the Philippines has aligned itself principally to developing countries, its alliances are nonetheless issue-based, which means that cooperation and unity is restricted to the negotiating points of the Doha Development Agenda and that proposals are substantiated with technically substantive research. This is clearly the case of the G20 and the G33, in which they do not address and espouse a panoply of demands and simply rely on their capacity to block; they have a proactive agenda, which was epitomized on their propositions on the three pillars of the Agreement on Agriculture—domestic support, market access, and export subsidies (Narlikar and Tussie 2004). While there is a possibility that the coalitions may outlive the issues at hand, in the present round, they have been cautious not to take on multiple issues, spread themselves too thinly, and lose their purpose in the process. In addition, as opposed to the Group of 77 in the United Nations Conference on Trade and Development, both the G20 and the G33, ‘framed their proposals in terms of the rules of the WTO rather than through simplistic appeals to the logic of distributive justice’ (Hurrell and Narlikar 2006, 423).

Philippine trade representatives are cognizant of the precariousness of assuming a laundry list of broad development issues that are outside the negotiating text; thus, they have been largely ignored. As the Philippines is handicapped structurally and institutionally, an issue-based alliance, despite its vulnerabilities, is a convenient channel to work toward the state's interests. First, compared to bloc-type coalitions, it is easier to achieve consensus in issue-based alliances, as they revolve around the specificities of the agreements. The Philippines is also not comfortable abandoning the nuances of its positions in order to accommodate comprehensive calls. As Drahos (2003, 86) points out, ‘adopting broad general position in order to satisfy all their members...inhibits the evolution of detail and compromise, the very things that are ultimately needed in a trade negotiation.’ Limiting themselves to clearly fixed issues affords trade negotiators the flexibility to pursue pragmatic bargaining.

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33 Interview with a staff of the South Centre.
34 Interview with a member of the Philippine Mission to the WTO, 28 April 2008.
35 Interview with a member of the Philippines Mission to the WTO, 28 April 2008.
D. Coalition-building and the Pursuit of the State’s Interests

The Philippines maintains an instrumental view of coalitions, which means that the principal motivation is still interest. It was, however, only through the process of negotiation that the Philippines has come to know of its interests and in the course, the appropriate bargaining strategy. In the agriculture talks, its association with members of the G33 is in line with its defensive plan of action, which is to preserve government's policy space at the domestic level in its attainment of food security, sustainable livelihoods, and rural development needs. To achieve this goal, the Philippines seeks the protection of some agricultural products from tariff liberalization. On the other hand, through the G20, the Philippines is able to push for its offensive stance of eliminating developed countries' domestic support and export subsidies for agriculture in order to allow a level-playing field.

Compared to the Uruguay Round, negotiators emphasize that in the present negotiations, being part of an alliance was more calculated. First, Philippine trade representatives are conscious of the defensive-offensive agenda in agriculture in the Doha talks and the convenience of having other states, particularly middle powers, undergird its negotiating positions. Moreover, the Philippines' overlapping membership in the G20, G33, and the Cairns Group is meant to guarantee that its interests are taken into consideration in all of the major coalitions and to ensure that intra-coalition bargaining in the G20 and G33 are supportive of each other. Because its views are heard in more than one forum, the Philippines is relatively more influential than most developing countries. Indeed, developed countries recognized the Philippines' weight in the negotiations, as for the first time, it has been part of the Green Room since the 2004 WTO General Council meetings.

By and large, the Philippines uses the coalitions to increase its bargaining power—-to provide political backing for its proposals and to bolster its capacity to block the outcome of negotiations that is not in its favor. It is for this reason that it has consistently allied itself with big developing states such as Brazil, China, and India. Yet, despite the Philippines' recourse to other developing countries, which is characteristic of solidarity and the politics of identity, it eschews from idealist conceptions of coalition-building and the revival of traditional Third World-ism.

...Brazil and India do not speak for the interest of the Philippines... all of these coalitions are just vehicles for us. There is no sentimentality involved. We use the coalition to advance our interest. When the coalitions no longer serve our purpose, then [we] go.

Philippine trade negotiators are also aware of the structural and institutional limitations imposed upon them, and they intend to parcel out the costs of keenly engaging in the negotiations through the alliances. As Hurrell and Narlikar (2006) explain, developing countries form coalition to increase their bargaining power not only through the enlargement of the market size, but also through information sharing and

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37 Interview with a trade negotiator, 1 February 2008.
coordination to offset their limited resources and the difficulties of actively negotiating the technicalities of an ever-expanding WTO agenda. Odell (2006, 12-13) shares this perspective as he argues, 'one of the defining distinctions of a multilateral negotiation is that parties can and tend to form coalitions as one way of cutting down the complexity, promoting their preferences, and learning.' A key trade negotiator acknowledges that 'information is an invaluable weapon' and that although the Philippines has witnessed the growth in the number of WTO experts from diverse fields in the last five years, it cannot make up for the degree of sophistication in the analyses that developed countries possess. Thus, coalitions become indispensable for the Philippines as it is able to pool resources with its allies and reduce the laboriousness of dealing with the intricacies of the WTO negotiations.

Conclusion

The paper has, therefore shown the domestic and external factors which enabled the Philippines to negotiate North-South dynamics in the WTO. Domestically, Philippines negotiations have been defined by the monopoly of the executive of such an endeavor thus it is able to ward off domestic pressure, e.g., coming from the legislature and political parties, in the shaping of such a policy. Secondly, it is also fragmented in nature where by the government’s lead agencies, the DA, the DTI and the NEDA, have pursued their own negotiating position with little substantive coordination. A third factor is the flexibility and autonomy of the negotiator, i.e., the deputies of the lead agencies, take on the lead role in the negotiations carrying with them years of expertise, continuity and institutional memory which their higher ups may not have. The Philippine president has generally not interfered with the WTO negotiations. The positive features of these four major characteristics is embodied in the way the DA has taken on the lead in the WTO negotiations and has enabled the Philippines to make headway in coalition-building. The reasons for this are the following:

One is because of the emergence of agriculture as the most important issue in the WTO negotiations. The DA is also able to delink itself with the NAMA and GATS issues as these have not yet taken off. Further strengthening the DA position is its membership in coalitions like the G20 which carry the same sentiments which the country has with regards to how the negotiations in the agricultural sector should be. The second reason for the strength of the DA is the participation of civil society in crafting the country’s negotiating position in agriculture. This can be attributed to the creation of the DA of the TF-WAR and other institutional mechanisms which enables such a participation. Membership in the TF-WAR also reflects all the major sectors in agriculture and conflicts among them are resolved through consensus. More importantly, they represent the sentiments of the coalitions which they have joined, i.e., the critique of the developed countries negotiating position and the lack of transparency in the negotiating process in the WTO. A fourth factor in the strengthening of the DA negotiation position is that the participation of civil society players in the TF-WAR have also contributed in providing a pool of experts which could be tapped or developed in crafting the negotiating position of the Philippines. The Philippine negotiators have

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38 Interview with a trade negotiator, 31 January 2008.
developed the skills to gain the respect of their colleagues in the developing countries' coalitions and to debate even the U.S. They are further strengthened as they are brought by the DA to Geneva to negotiate with the full backing of their government and civil society. Their experience is further enriched by the expertise of their colleagues in the developing country coalitions. A fifth factor which has enhanced the DA negotiating position is the confidence it has from the Philippine executive to pursue its strategy. Civil society support for the DA position has provided a buffer for the Philippine executive succumbing to domestic or external pressures to go against the DA negotiating position in the WTO. And lastly, the DA has also sought to cultivate links with members of the legislature as it recognizes that in the Philippines, the Congress is used as an arena of contention of politicians and civil society. This is one important venue by which further support for their position on agriculture could be pursued.

Despite these challenges, however, the domestic institutional process has facilitated the pursuit of coalition building as a negotiating tactic. Executive monopoly and a fragmented structure has given Philippine trade negotiators autonomy and flexibility to respond promptly to the progress of negotiations and to take advantage of openings that transformations in the politics of the WTO may bring. Additionally, civil society engagement in the negotiation process has been beneficial for the Philippine government. Having the confidence that they have the technical skills and political backing of their constituencies, trade negotiators have more credibility in its argumentation. Thus, coalition building with other countries at the WTO level existed alongside the formation of a caucus at the domestic plane.

Externally, the coalition-building strategy of the Philippines in the Doha Round is marked by increased collaboration of developing countries with the big powers on specific issues through pragmatic, technocratic, and non-ideological bargaining. The realization of national interest is still paramount and coalitions are regarded as means to achieve domestic economic goals and objectives. At present, agriculture is at the heart of the WTO negotiations. Philippine interest is defined along the twin defensive-offensive position—expanding the room for government to embark on development programs for its agrarian economy and promoting fair trade. By bringing its position close to those of other developing countries, the Philippines is able to mobilize international support needed in multilateral negotiations.

For the Philippines, the factors which contributed to the strength of its negotiating position in the WTO are the following: One was the country's joining several coalitions such as the G-20, G33 and NAMA 11, the Café au Lait and the Cairns Group of Fair Trading Nations. By doing this, the Philippines is able to increase its bargaining clout in general but to also gain resources needed for negotiating which it will not have if it negotiated unilaterally. This includes information sharing. By also joining coalitions, the Philippines is also able to assess its own position, i.e., vis-à-vis the other developing countries and in the process take on a more appropriate bargaining strategy. Its membership in coalitions also enabled the Philippines to enlarge its market size. Thus, if domestically, coalition-building was seen in the bringing together the stakeholders of the agricultural sector in the country, i.e., the state, the business
community, e.g., the sugar bloc and farmer’s groups among others this was complemented by coalition-building with other countries at the external level.

Like in the case of the domestic situation, the strength of the Philippines externally was to confine itself on the Agreement on Agriculture, i.e., domestic support, market access and export subsidies. Because of the concentration of domestic and external resources of the TF-WAR on agriculture, it is able to come out with a coherent strategy that was pursued by other developing countries in the coalitions. The focus on agriculture is only understandable because locally and internationally, this sector provides the source of livelihood of millions of people in the Philippines in particular and in the world in general. Coalition-building has also brought about a socialization in the WTO system which highlighted common cultural background and orientation and through regular contacts formidable relationship have been formed. Domestically, this was also seen in the TF-WAR where the members coming from diverse class backgrounds are able to unite or come to a consensus on common agricultural concerns. This has also been made possible at the domestic and external levels as involvement around a single issue, i.e., agriculture, was approached in a technocratic manner when it came to the negotiations.

There are of course challenges to be confronted. Domestically, for example, there is a recognition of the need for more coherence in the Philippine negotiating position and to have a more holistic view of the negotiating process which will not only focus on agriculture but also take into consideration of the issues relating to the NAMA and the GATS particularly when these sectors take off. The same can be said about coalition-building, that is, for the moment a single-issue focus seems to be working out but this may also change when non-agricultural concerns come into play in the future. In the meantime, however, the current set-up nationally and internationally seems to have been favorable to the Philippine negotiating strategy in the WTO and this can be largely attributed to the ability of the local negotiators to take advantage of opportunities while these are there.

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