A Reflection on the South–South Coalition in the Last Half Century from the Perspective of International Economic Law-making

From Bandung, Doha and Cancún to Hong Kong

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INTRODUCTION

In terms of law, the World Trade Organization system, along with its multilateral rules, is an important component of international economic law. The widely focused Doha Development Round (DDR) of multilateral trade negotiations is, in essence, a multilateral consultation on the renovation of current international trade law-making on the global level, the core purpose of which is to spur the necessary renovation and amelioration of the current WTO system and multilateral rules.

The DDR negotiations have been advancing in a sluggish way since they were launched at the end of 2001. On 14 September 2003, the Fifth WTO Ministerial Conference at Cancún, Mexico, launched to implement the DDR, ended in vain and with ill will due to the escalation of the North–South divergence. WTO Members decided, after various levels of “shuffle negotiations” in recent years, that the Sixth WTO Ministerial Conference would be held in Hong Kong from 13 to 18 December 2005 to resume the DDR negotiations. The Hong Kong Ministerial Conference primarily broke the deadlock that had lasted for two years and made some positive achievements while leaving critical controversies unresolved.

Due to the fact that the South–North disagreement on the main issues has not been eliminated, by the newly set deadline of the DDR negotiations at the end of 2006 and thereafter we should definitely witness an acute round of fierce struggle between the South and the North, entailing an unpredictable future. Meanwhile, a flashback of the history and facts before and after the Cancún Conference can also offer some clues that are of value to the discussion of the general trend after the Hong Kong Conference.

During the early phase of the failure of the Cancún Conference, owing to the differences in positions and perspectives, WTO Members’ instant responses sharply
diverged, which can be generalized into four categories:

1) Some held that the North–South split would be mutually destructive because the two sides would refuse to budge and their positions were totally bifurcated, so that the prospects for the WTO were dim, facing the fate of collapse;

2) Others predicted the victory of the North and the loss of the South. They opined that since the North would sustain its vested interests, while the South’s demands were hard to meet, by refusing to compromise the poor countries would come away with nothing;

3) Some held that the South would win and the North would lose. The South had demonstrated its power and the North had tasted the bitter, and therefore the North would not dare to oppose the South and permit the DDA negotiations and the WTO system to go along a smooth way thereafter; and

4) Some held that the final outcome was not definite, that it was hard to determine who would be the winner and loser between the North and the South, that the two sides were not necessarily mutually destructive and a “win-win” situation was possible to achieve, following which the South–North conflict would move in the direction of co-operation.

Comments of the international media on the outcome of the Hong Kong Conference were once again basically divided, mixed with good terms and bad terms. Some have proclaimed that the Hong Kong Conference concluded with success, laying a good foundation for the conclusion of the DDA negotiations in 2006. Some have taken the position that the Hong Kong Conference only pushed the DDA one small step ahead. Some have held that the future of the DDA after the Hong Kong Conference is still dim. Some have argued that it is better to confess to the failure of the Hong Kong Conference than to pretend that it was a success. Some have expressed the view that the Hong Kong Agreement does not fulfill the Doha Undertakings, which is a betrayal of the developing country Members of the WTO.

The above viewpoints are not all unsubstantiated, but they are not thoroughly considered. From the standpoint and the perspective of the South, the developing countries, in the last two years the emergence of a coalition of the groups composed of vulnerable WTO Members, such as the “G-20” during the Cancún Conference, is the typical symbol of the South–South coalition and its context is worthy of careful flashback and meditation.

I. FROM BANDUNG TO HONG KONG: THE SOUTH–SOUTH COALITION PROGRESSES UNEVENLY

After the Second World War, the developing countries made strong appeals for the complete transformation of their accumulated poverty caused by centuries of colonial

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