

## The case for multilateralism in a regionalizing world

Given the above, it appears to be a no-brainer: the way to stimulate trade is through RTAs. Why then does the question continue to hang over regional arrangements as to whether they represent building blocks or stumbling blocks? What is the case for multilateralism in a regionalizing world?

Generally speaking, the positive empirical assessment of RTAs must be qualified since there can be no certainty that RTA formation works in all contexts and will continue to supply a positive dynamic in a forward-looking sense. In particular, there are serious doubts being expressed about the ability of an RTA-driven process to deal with the truly difficult systemic issues raised by agricultural trade, developing country assistance and the functioning of the dispute settlement mechanism. This in turn raises concerns that the energy devoted by many countries to out-manoeuvring competitors through RTAs is taking the wind out of the sails of the Geneva process.<sup>40</sup>

*RTAs probably will not be central to issues that are critical to agricultural trade*

Market access for agricultural products promises to be the linchpin of a successful Doha Round outcome—or the shoals on which the WTO round founders. For the majority of the developing countries, there is no other single development in trade

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<sup>40</sup> These concerns are growing, particularly in the United States, where the ambitious agenda of bilaterals, coming on top of the FTAA process and the ongoing Geneva round threatens to spread scarce negotiating resources too thinly, despite expression of confidence that there will be no “slacking off on the WTO at all” by USTR Robert Zoellick. See “U.S. trade envoy pushes for series of bilateral deals”, *The Wall Street Journal*, October 25<sup>th</sup>, 2002, pg B9. For an expression of concern that the complications posed by RTAs will undermine the multilateral process (“It makes it that much less likely that governments will even try.”) see: *Coming Unstuck, The Economist*, November 2<sup>nd</sup>, 2002, pg 14. With regard to the issues that are emerging in dispute settlement, see John M. Curtis, “What Lies Ahead for International Trade: Issues for 2003” presentation to the Toronto Association for Business and Economics, Toronto, September 26<sup>th</sup>, 2002; mimeo.