

Discussion Paper

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Lessons Learned from the Negotiations and Litigations on Cotton

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I. Introduction

Cotton was flagged by several observers and participants of the Doha round (DDA) as the one key issue area.¹ Formulations were chosen such as cotton being the “litmus test”, whether the Doha round really was all about development or not. The aim of this paper is to show what lessons could be learned from the various processes dealing with cotton for the global trading system and the role developing and least-developed countries play in it. On the one hand we will assess, which key characteristics of the global trading system are reflected in the issue area of cotton. On the other hand we will try to identify patterns in the cotton negotiations and in the DSB case on cotton that could have a long-term impact on the global trading system. But why should we choose the issue area of cotton for such a mapping exercise? Should we blindly believe in the speeches underlining the importance of the issue area? These statements could be nothing more than rhetoric devices satisfying demands of developing and least-developed countries.

But there are more substantive reasons speaking in favour of analysing this topic. First, cotton is a formidable developmental good: the small size of cotton producing farms in many developing and least-developed countries make it a perfect issue for poverty alleviation – one of the corner stones of the DDA. Unlike in other commodities (wheat, rice etc.) there are no second round benefits for consumers in LDC’s due to lower market prices (Sumner, 2005). Second, for analytical reasons cotton is a very promising field of research, as it was treated in all relevant fora of the WTO. Cotton is a central topic under negotiations for further trade liberalisation in the Doha Round, Brazil launched in 2002/03 the “US – Upland Cotton” case at the Dispute Settlement Body (DSB), and finally a “Sub-Committee on Cotton” (SCC) in the comitology of the WTO was established. Therefore, it allows us to investigate mutual influences between the various bodies of the WTO and to study the strategies of important actors choosing between different fora in order to express their demands and to reach their respective goals.

¹ See for example Anne Krueger: “Spreading Prosperity and Resisting Economic Divergence”, Richard Snape Memorial Lecture, Melbourne, November 8, 2004 or Pascal Lamy, “The WTO and the Doha Round: The Way Forward”, Speech at the Indian Council for Research on International Economic Relations, New Dehli April 6, 2006.

II. Background information

Even if not directly governed by the Multifibre Agreement (MFA) and the WTO's Agreement on Textiles and Clothing (ATC), the import/export structure and market price of cotton was heavily influenced by the above-mentioned agreements. The gradual phasing-out of the ATC (final stage in 2005) was felt in the cotton sector all over the world as more cotton was traded internationally due to the collapse of the textile industries in many industrialised countries. Countries such as China, India or Pakistan on the other hand experienced an important build-up in the textile industry. Therefore, export subsidies and domestic support measures for cotton producers in industrialised countries such as the US resulted in an even stronger effect on global market prices for cotton than before. The emergency payments in the US-Farm Bill of 1998 further deteriorated the situation in increasing the total amount of subsidies paid to US cotton farmers from 1,1 billion USD in 1997 to over 3.4 billion USD in 1999.² These measures lead to a collapse of the world market price reaching a record low in 2001 at 35 US cents for the pound from around 80 cents in 1995.³

Therefore it was not a mere coincidence that the cotton issue came up at the WTO in March 2001 when Mali (G/AG/NG/W/99) for the first time asked for a substantive reduction of domestic support for cotton in the Special Session of the Committee on Agriculture (SSCA). This demand raised by a WTO member state first remained largely unheard. However, the climate changed drastically in the forerun to the Brazilian complaint about US subsidies during the year 2002. Brazil repeatedly asked for detailed information about US subsidies in the Committee on Agriculture (the body taking care of notification) and finally asked for the establishment of a panel on "US – Upland Cotton" (DS267) at the DSB in February 2003. In the meantime, this case passed all relevant institutions of the DSB. In September 2004 the panel's decision followed to a large extent the Brazilian argumentation underlining that the so called "Peace Clause" of the Agreement on Agriculture (AA Art.13) was not applicable on the US subsidies as they exceeded the level of the benchmark year 1992. The panel ruled that the US should put a hold on export subsidies and import substitution subsidies within 6 months, and that the subsidies for US cotton farmers should be phased out or adjusted to a form that was not causing "serious prejudice". This decision was later upheld with only minor adjustments by the Appellate Body's report. Brazil, unsatisfied with the low level of compliance with the

² Numbers according to the International Cotton Advisory committee.

³ Numbers according to IMF Liverpool Cotton Price according to BAFFES, J. (2004) Cotton market setting, trade policies, and issues. *Policy research working paper 3218*. Washington, D.C., World Bank.

panel's ruling by the US, asked in August 2006 for the establishment of a compliance panel according to Art. 21.5 of the DSU. In December 2007, after the delay of more than a year, the compliance panel's report was finally circulated stating that the US had failed to comply with the panel's decision in regard to the adjustment or withdrawal of price-suppressing domestic subsidies and in regard to the withdrawal of export credit guarantees. It remains to be seen how the endgame about getting the US into compliance will unfold.

After the first unrewarded attempts launched by Mali in 2001, the negotiations on cotton recovered in spring 2003. Momentum was given to the cotton issue by three factors: first, the launch of the Brazilian case against the US; second, the existence of a coalition of Western and Central African countries (Benin, Burkina Faso, Chad and Mali, later called the C4) asking for a sectoral initiative on cotton; and third, the involvement of (Northern) NGOs supporting the demands of the C4.

The first demands from non-state actors were raised by OXFAM in its report on "Cultivating Poverty: The Impacts of US Cotton Subsidies on Africa" (OXFAM, 2002). In 2003 at the WTO Public Symposium OXFAM teamed up with the International Centre for Trade and Sustainable Development (ICTSD) and *ideas centre* in organizing a panel on "Can negotiations on Agriculture deliver pro-development reforms? The case of West African Cotton". This cooperation between NGOs was largely maintained over the whole process of lobbying for trade liberalization in cotton. There was a certain division of labour among these NGOs: OXFAM increased the public awareness on the cotton issue by running a media campaign, the *ideas centre* helped the C4 in preparing proposals and in maintaining the internal coherence of the coalition, and ICTSD provided relevant information for the actors involved in the ongoing negotiations and served as a facilitator on the initial stage of the initiative.

In the forerun to the Cancun Ministerial the C4 consistently asked for the prioritization of cotton and for its exclusion from the overall negotiations on agriculture. These demands were reflected in the proposal on "Poverty Reduction: Sectoral Initiative in Favour of Cotton" (TN/AG/GEN/4, dated 16 May 2003). The one country opposing this sectoral initiative on cotton were the US, as they assumed to get a better deal, if they stick to a "single undertaking" on agriculture (Lee, 2005). In Cancun hopes were high among the C4 to get institutional recognition for their demands, as the Derbez text underlined the importance of a sectoral ini-

tiative on cotton. But as we all know, the Cancun Ministerial ended without a commonly agreed declaration and therefore also the cotton initiative was temporarily put on hold.

Over spring 2004 the negotiations recovered again leading finally to the July 2004 Framework Agreement referring to cotton, as “it will be addressed ambitiously, expeditiously, and specifically, within the agriculture negotiations.” Thereby, the special significance of cotton for a number of developing countries was officially recognized and the single undertaking was maintained. A Sub-Committee on Cotton (SCC) was established in order to “ensure appropriate prioritization of the cotton issue.” The SCC is quite a unique body in the institutional framework of the WTO: it is the only “sub-committee” dealing with a single commodity. In order to strike the political compromise between institutional recognition and maintaining the unity of the negotiations on agriculture, the General Assembly had to apply a considerable degree of adhoc-ness. As a consequence it remained unclear what the specific function of the SCC should be. Was it truly a negotiation platform on which proposals could be submitted or was it only meant to review the negotiation process taking place elsewhere? The C4 on the one hand used the SCC to launch proposals such as the “Proposed Elements of Modalities in Connection with the Sectoral Initiative in Favour of Cotton” (TN/AG/SCC/GEN/2 dated 22 April 2005) or the “Proposed modalities for cotton under the mandate of the Hong Kong Ministerial Decision” (TN/AG/SCC/GEN/4 dated 1 March 2006). The United States, however, did not answer the C4’s demands in the SCC. The low level of interaction with its main opponents led Benin to deliver a complaint stating that “a lack of commitment had resulted in little tangible progress on substantive matters” in September 2005 (TN/AG/R/21). When Chairman Falconer prepared the draft modalities for the negotiations on agriculture in Spring 2007, he included the C4’s proposal (see above; TN/AG/SCC/GEN/4) without any alternatives saying that simply no other proposals were submitted to the committee.⁴ At present, there are specific proposals for granting LDCs tax- and quota-free market access for cotton exports to developed countries on the table, but in regard to domestic support in the cotton sector everyone is still waiting for the US proposal that will assumingly only be delivered in the very endgame of the negotiations. By doing so, the US increases the pressure on the C4 to give in, as there will be little time left to reach a compromise that satisfies everyone.

⁴ However, the EC submitted a proposal (JOB(06)/198, 19 June 2006) that the Chairman simply chose to ignore.

III. Lessons learned

III.1 What to do – negotiate or litigate?

The establishment of the strongly legalized DSB of the WTO was seen by many observers as a big step in favour of developing and least-developed countries, claiming that by recurring to the DSB they could insulate themselves from power politics dominating the negotiation track (Kuruwila, 1997, Lacarte-Muro and Gappah, 2000). Seen through this angle, it must seem strange that Brazil, a powerful, newly industrialized country with a big domestic market, decided to take the case to the DSB, while the C4, a coalition of African LDCs, confined its activities mainly to the negotiation track. Although the C4 repeatedly used the threat to go to the DSB, their only involvement was the third party status of Benin and Chad in the “US – Upland Cotton” case. Although Benin and Chad were rather active third parties, who were repeatedly heard by the panel in regard to the detrimental effects US subsidies had on their cotton growers, the leverage of third parties to influence settlements (whether on- or off-court) is very limited.

However, if we look into track record of the DSB, LDC involvement is slim to say the least. There was not a single case filed to the DSB by a LDC that resulted in a panel report.⁵ In the time period between 1995-2006 according to the Horn & Mavroidis dataset (2006) 120 out of 351 cases or roughly one third were filed by developing countries⁶. This share is slightly higher than during the GATT years. If we consider that nearly one half of these cases (59) were filed by newly industrialised countries (Brazil, Mexico, India and Thailand) and only 21 developing countries were involved in disputes as complainant, we can come to the conclusion that not only LDCs but also most developing countries were deterred from filing complaints at the DSB. Various arguments were put forward in order to explain the low participation of weaker actors in the DSB. Bagwell & Staiger (2000), Büttler & Hauser (2000), and Breuss (2001) all argue that the size of the domestic market determines to a large extent the potential benefits that can be achieved by winning a case. A small country does not have the retaliatory potential to force a larger trading partner into compliance. Busch & Reinhardt (2003) made the case that despite the existence of advisory institutions such as the Advisory Centre on WTO Law (ACWL) the legal costs were too high for many developing countries having only limited human resources in their capitals. More important than the legal costs in a

⁵ Only Bangladesh asked for consultation in a case against India involving anti-dumping measures on batteries (DS306), but the case was settled in the consultation phase.

⁶ Following the classification of the IMF.

narrow sense (costs for legal advice, scientific expertise etc.) are the overall costs of litigation (Bown & Hoekman, 2005). These costs include in the pre-litigation phase expenses for identifying a WTO-inconsistent policy in a foreign country, estimating the economic loss caused by this policy, and lobbying to the national government. In the post-litigation period costs have to be added for generating public support in the foreign country for removing the policy under scrutiny. Overall litigation costs are likely to exceed the more narrow legal costs by far. Furthermore, if producers have to bear the costs (and for pre-litigation costs producers are the most likely payer), they need to have considerable profit margins, which is not the case for many bulk products exported from developing countries. Besson & Mehdi (2004) argue that the dependence from foreign aid made it impossible for developing countries to stand the pressure during a litigation process involving one of their donors. It is difficult to find out which of these factors played the most important role in deterring the C4 from using the DSB, but all of them seem to be relevant for the countries under scrutiny.⁷ But it should not go unnoticed that the coalition was only about to form when Brazil launched the case at the WTO and that there was a timing problem in joining the Brazilian case.⁸ Nevertheless, the cotton case is a perfect illustration of LDCs being deterred from the DSB, as it would have been quite a straightforward case with high public attention and the presence of a larger partner – Brazil – would have deviated some of the pressure potentially exerted by the US. Being the complainant to a DSB case has the considerable advantage of controlling the implementation process in the foreign country until the very last steps. A third party, like any other WTO member, can only hope that the complainant will go through with a case until the respondent country removes its inconsistent policy (and thereby take profit of the ruling through MFN), but it has no leverage against an off-court settlement.

It is quite a bit more difficult to explain Brazil's strategy. It is safe to say that Brazil was not one of the most pro-active parties in the negotiations on cotton. The key in understanding Brazil's behaviour is to be found in other DSB cases. Simultaneously to the cotton case Brazil filed (and won) another complaint involving agricultural products against the EC (EC – Sugar; DS266) and prepared even a third case on beef import regulations against Japan (the latter never saw the day). Therefore it can be argued that rather than having highly concen-

⁷ According to Nicolas Imboden, executive director of *ideas centre*, the dependence from foreign aid and the overall power configuration in international relations played the most significant role, while the financial resources to get proper legal advice were available - oral statement at the theme group meeting on "Decision-Making in the Global Trading System", Geneva 28.11.2007

⁸ Mali, however, raised the cotton issue before the case was launched, but for a single LDC the above-described problems are arguably even bigger.

trated interests in the issue area of cotton (although Brazil is among the leading cotton exporters in the world), Brazil used the DSB in order to break deadlocks in the negotiations on agriculture.

III.2 South-South Coalition building

The C4 is an example of quite successful South-South cooperation in the WTO. Earlier studies looking into coalitions among developing countries underlined the importance of a number of elements to be present in order to form a stable coalition. Clearly in favour of the stability of the C4 is the feature that the coalition formed around a single commodity with a high convergence of interests. Thereby the coalition has a simple structure, profits from lower transaction costs and increases its flexibility of agenda setting and negotiating strategies (Narlikar, 2001). In addition to this, the C4 countries involved its highest representatives (mostly on presidential level) in order to show the commitment to the goals of the C4 (Heinisch, 2006). By getting involved in the process, the Presidents of the C4 invested considerable political capital in the success of the coalition and thereby increased the costs of opting-out. Last but not least, the C4 was not a blocking coalition, but entered negotiations with a pro-active agenda underpinning their proposals with scientific evidence provided by Northern NGOs and academics (Narlikar and Odell, 2003). They did not only want to get their issue on the agenda, but also tried to come up with concise numbers. One example for such an attempt was the paper that the C4 circulated in the SCC in June 2006. Therein the C4 tried to operationalise the terminology used in the July 2004 Framework Agreement (“addressing cotton ambitiously, expeditiously and specifically”) with a coefficient by which trade liberalisation in cotton should exceed overall trade liberalisation in agricultural products. Narlikar and Odell (2003) argue that the crucial question for the stability of a coalition in the endgame was which side-payments had to be made. In the case of the C4 this stage has not yet been reached and therefore little can be said about the ability to reach a consensus within the coalition on this topic. However, a weakness of the coalition was the low degree of coordination in respect to the DSB proceedings regarding the Brazilian case against the US. Benin decided to become a third party without consultation with other members of the coalition; once this move became public, Chad decided to join as well.

At the same time, the composition of the C4 raises also a couple of questions? Why did not more countries join the initiative and why does it have a regional bias for Western Africa

(Chad being the exception)? The latter question is easier to answer: In June 2002 the Conference of Western and Central African Agricultural Ministers (CMA/AOC) held a conference in Abidjan. In the final memorandum the ministers called for a common strategy to face the competition of Western cotton producers and the detrimental effects of subsidies in industrialised countries. Motivated by this initiative, ICTSD invited all African countries to several meetings held over 2002/2003 in Geneva. In the beginning there were 12 countries participating in these meetings, in the final stage only the C4 were left. Why did other countries leave the process or did not participate from the beginning? One of the most important reasons was the adoption of the African Growth and Opportunity Act (AGOA) by the US Congress in May 2000. This new law granted Sub-Saharan African countries preferential access to the US market. In view of this preferential scheme, African countries were reluctant to provoke a conflict with the US over domestic support measures and export subsidies.

Even within the “African group” at the WTO the initiative was controversially discussed. Some countries argued that they did not approve with the prioritisation of one commodity, while others (most importantly sugar) were left out. Another issue of contestation among African countries were the financial compensations that were asked for in the initial submission by the C4.

Therefore, it can be claimed that the cotton initiative was rather a regional than a “Southern” design and South-South solidarity did not play a major role for getting the issue on the agenda.

III.3 The South and Northern NGOs

After having a closer look into the process of negotiations about cotton, we cannot limit the coalition lobbying for a sectoral initiative in favour of cotton to the governmental actors represented in the C4, but the coalition also included Northern NGOs. The most important NGOs getting involved in the process were *ideas centre*, ICTSD, and OXFAM (Baffes, 2006). These NGOs were providing procedural information about how to formulate position papers, strategic advice on how to maintain the internal coherence of the coalition, scientific information for underpinning economic claims, and external campaigning by increasing public awareness. Why should such a coalition between Southern governments and Northern NGOs attract our interest? In the historical legacy of the WTO the perception of NGOs by Southern governments was sceptical to say the least. In the second half of the 1990’s they were mostly seen as

another way of lobbying for the protectionist interests of developed countries. This perception can be partly explained by the issue areas that were high on the agenda during this period. The discussion about environmental and labour standards forcibly lead among governments of developing countries to a reading of Northern NGOs being the fifth column of Northern protectionism. Now that the focus has changed during the Doha Development Agenda, there is much more overlap of interests between Southern governments and Northern NGOs and Northern NGOs provide Southern governments with crucially needed information. Southern governments on the other hand serve as “gate-keepers” of the WTO system channelling external information and demands into the process.

Do we have to deal with a stable coalition between internal and external actors in WTO matters? It is still far too early to answer this question satisfactorily. The coalition could be only of an ad-hoc basis and of purely instrumental nature: Southern countries are provided with crucial expertise by NGOs and the NGOs are given a platform to influence outcomes of negotiations that goes far beyond classic lobbying. Therefore, the recent interactions between NGOs and Southern countries are a win-win situation that doesn't have to lead to a further deepening of the coalition including cooperation in other issue areas. What scenarios can serve as a litmus test in order to assess the stability of this coalition? First, there are topics in which we may find disagreement between developmental NGOs and Southern governments. What is the role of the state in the developmental process and how should the notion of “good governance” be translated into concrete policy on the national level? In the framework of the WTO such questions are mainly addressed in the context of TRIMMs and “government procurement”. So far, these issue areas (whose main promoters are Northern business interests) do not seem to be of major interest to developmental NGOs and they advocate a slow and moderate implementation of the related policies in developing countries. Developmental NGOs are rather asking for a widening of the “policy space” for developing and least developed countries.⁹ Therefore, it seems very unlikely that the cooperation between NGOs and developing countries could collapse due to disagreement on such issue areas at least in the short- to midterm. Second, the cooperation will be put on test at the next instance of deliberations about NGO participation in decision-making procedures at the WTO. While it seems rather unlikely that Southern countries will change their attitudes from fierce resistance to open promotion for NGO participation, the existing cooperation between the two sides will still make it difficult for Southern governments to openly reject the demands of their partners.

⁹ See for example the *Third World Network Report*: “WTO is the wrong venue for investment negotiations” September 2003.

We may rather see an increased resistance of Northern countries against NGO participation coming foremost from agricultural interests.

III.4 The bottom-up dimension

On the other hand, NGO involvement was not confined to the multilateral procedures taking place in Geneva. When the global cotton market hit its record low in 2001, organisations representing cotton farmers, such as *L'Union Nationale des Producteurs de Coton du Burkina* (UNPCB) or the *Réseau des Organisations Paysannes & de Producteurs de l'Afrique de l'Ouest* (ROPPA), but also NGOs mainly focusing on rural development such as SEDELAN, were raising demands that the governments in Western Africa needed to be more pro-active in regard to the situation of cotton planters in the region. In 2001 Mali's cotton producers went on strike to protest against their diminishing incomes. While these grass-root movements didn't play a major role in identifying potential strategies in Geneva, they were very important in identifying the need for action in the sector, in lobbying domestically for appropriate steps on the international level, and in holding their respective governments accountable for the adherence to the chosen path.

III.5 Cotton and Aid-For-Trade

Part of the initial demands of the C4 was that an emergency fund had to be established compensating LDCs through a transitory period until the complete elimination of prohibited subsidies for cotton in OECD countries (TN/AG/GEN/4, page 7). This demand was declined by industrialised countries arguing that within the GATT/WTO no financial compensation outside of a DSB case was foreseen. Instead the demand for financial aid was channelled to the newly established program on Aid-for-Trade (AFT). AFT is a program established at the Hong Kong Ministerial Meeting and is meant to serve capacity building in managing trade, reforming custom procedures and improving trade-related infrastructure in developing countries. This task should bring together in an Integrated Framework the WTO, the World Bank, the IMF, UNDP, ITC, and UNCTAD. The cotton initiative brought a re-orientation into the working program of AFT. The WTO started a joint program endowed with 21 million Euros together with the United Nations Industrial Development Organization (UNIDO) that focused on standards, upgrading enterprises and supply chains in cotton producing African countries¹⁰

¹⁰ See "A Practical Contribution to Aid for Trade" UNIDO Report, November 2007.

and similar projects are already planned for the sugar sector. Hence, the issue area of cotton left a footprint in the design of aid programs within the Integrated Framework by showing the potential of sectoral programs helping to increase productive capacities in export commodities.

IV. Conclusions

Tracking the negotiations and litigation about cotton in the WTO is very prolific for understanding the situation of developing and least-developed countries in the global trading system. It illustrates perfectly the obstacles weaker actors are confronted with in order to participate on more equal grounds in the WTO, but it also shows what strategies they might choose in order to overcome some of these obstacles. On the one hand, the cotton case confirms the low participation of LDCs in the DSB and it also highlights the fact that the WTO is unable to force actors on the negotiating table simply by creating a new institution (such as the Sub-Committee on Cotton) or by labelling an issue area as “developmental” and therefore crucial to the DDA. On the other hand, the C4 can serve as an example of a stable coalition of LDCs that despite enormous external pressure maintained its internal cohesion. The existence of strong grass-root movements of local cotton producers played an important role in keeping the internal coherence high. Furthermore, the C4 experience points at the cooperative potentials between developing countries and developmental NGOs. Even if tangible results were so far very limited, it seems very unlikely that a future conclusion of the DDA will not prioritise the cotton sector at least to some extent. Moreover, being aware of the fact that a substantial reduction of cotton subsidies in developed countries will have a much stronger impact on cotton growers’ welfare, the C4 still succeeded in readjusting the agenda in the Aid-For-Trade program in favour of their demands.

Last but not least, it should not go unnoticed that the world market prices for commodities rose considerably over the year 2007. The world market price for cotton has doubled since its record low in 2001 and reached again over 70 US-cents per pound. This development has not much to do with trade liberalisation, but rather with high demands and expectations of rising prices. However, the economic conditions for striking a deal on agricultural products in general and on cotton specifically have never been better in the last ten years, as the high market prices facilitate the readjustment of domestic support measures in developed countries significantly.

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Appendix: Chronology of the cotton issue at the WTO (2001-2008)

- 2001: de Camargo Neto, deputy agriculture minister of Brazil and former farmer lobbyist, organises domestic support for a DSB case against US cotton subsidies.
- March 2001: Mali underlines in the Special Session of the Committee on Agriculture (SSCA) the importance of a substantive reduction of domestic support in cotton.
- February 2002: Brazil is raising the issue of US subsidies on cotton in the Committee on Agriculture.
- 13 May 2002: New US farm bill is adopted with an increase of about 70% in support for US farmers through direct and anti-cyclical payments.
- 25./26. June 2002: Conference of West and Central African Agricultural Ministers (CMA/AOC) adopts in Abidjan a memorandum for a common strategy to face the competition of Western producers.
- September 2002: Brazil asks for consultation on US subsidies' practices at the DSB.
- September 2002: Oxfam publishes Briefing Paper on "Cultivating Poverty: The Impact of US Cotton Subsidies on Africa".
- 14 November 2002: ICTSD organises in Geneva a workshop on possible strategies in cotton liberalisation with the participation of 12 African countries and various NGOs.
- 6 February 2003: Brazil requests the establishment of a panel on "US - Upland Cotton". Third parties to the dispute are: Argentina; Australia; Benin; Canada; Chad; China; Chinese Taipei; European Communities; India; New Zealand; Pakistan; Paraguay; Venezuela; Japan; Thailand.
- Spring 2003: Several lunch meetings in Geneva to formulate a common strategy on cotton with the participation of various African countries, ICTSD, ideas centre, OXFAM, Enda tiers monde, ACWL, ACIC.
- 16 May 2003: Benin, Burkina Faso, Chad and Mali propose a sectoral initiative in favour of cotton as a means for poverty reduction in the SSCA.
- June 2003: Oxfam, ICTSD, and IDEAS organise a panel on West African cotton farmers at the WTO Public Symposium.
- 10 June 2003: Burkina Faso's President Blaise Compaoré presents the sectoral initiative at the Trade Negotiations Committee.
- July 2003: in the SSCA the proposal for a sectoral initiative for Cotton gets widespread support.
- 20./21. July 2003: Conference on strategies for cotton in Cancun, governmental actors from C4 and Senegal and various non-governmental actors organised by ICTSD, OXAM, AProCA, Enda tiers monde et ROPPA in Saly (Senegal).
- 22 August 2003: Benin, Burkina Faso, Chad and Mali send to the General Council a "Draft Decision concerning specific measures in favour of cotton with a view to poverty alleviation".
- September 2003: in Cancun the "Derbez draft text" recognised the importance of a sectoral initiative on cotton.
- 21 October 2003: Benin resumes the sectoral initiative on Cotton post-Cancun in the SSCA.
- 23 March 2004: Regional workshop on Cotton in Cotonou, Benin
- July 2004: July Framework agreement states that Cotton "will be addressed ambitiously, expeditiously, and specifically, within the agriculture negotiations" and it calls for the establishment of a Sub-Committee on Cotton (SCC) which should "ensure appropriate prioritization of the cotton issue."
- 8 September 2004: The panel decision on "US- Subsidies on Upland Cotton" is circulated.
- 18 October 2004: US take the DSB case to the Appellate Body.

- 19 November 2004: The SSCA establishes a “Sub-Committee on Cotton”.
- 16 February 2005: First meeting of the SCC; chairman is the same as for the SSCA (Ambassador Tim Groser, NZL).
- 3 March 2005: Appellate Body decision on “US – Upland Cotton” is circulated.
- March 2005: Ouagadougou declaration circulated in the SCC deplores the lack of real progress in the negotiations on cotton.
- 19 April 2005: the African group proposes “elements of modalities in connection with the sectoral initiative in favour of cotton” at the SCC.
- July 2005: exchange between US and Brazil in the SCC on the recent DSB case; US explain how they are planning to implement the panel decision.
- September 2005: Benin brings the Cotton issue up again at the SSCA; complains about the lack of tangible results.
- 18 December 2005: Hong Kong Ministerial Declaration confirms July Framework Agreement treating the cotton issue ambitiously, expeditiously and specifically.
- 1 March 2006: C4 circulate “Proposed modalities for cotton under the mandate of the Hong Kong Ministerial Decision” in the SCC.
- August 2006: Brazil asks for the establishment of a 21.5 panel assessing US compliance with the DSB ruling on Upland Cotton.
- 15 March 2007: High Level Session held at the WTO secretariat in Geneva on aid and cotton.
- 30 April 2007: Chairman Falconer circulates a draft paper on negotiations in agriculture incorporating the formulas proposed by the C4 on the cotton issue.
- 17 July 2007: Falconer circulates new draft modalities including the proposition that LDC’s should be granted duty-free and quota-free access in cotton.
- 18 December 2007: compliance panel on US – Upland cotton circulates its report calling the US measures to comply with the panel ruling in domestic support and export subsidies insufficient.
- 6 February 2008: Plurilateral meeting between African and EU representatives discussing the cotton issue in Brussels.
- 8 February 2008: New revised modalities on agriculture are circulated without addressing the cotton issue specifically.