# The Strict Distributive Strategy for a Bargaining Coalition: The Like Minded Group in the World Trade Organization

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Developing country delegates in multilateral trade negotiations have become quite active in forming bargaining coalitions. But there has been little research concerning how this has been done, what the results have been, or what influences these results.[1] In tackling these questions, this paper identifies strategy choices made by weak-state coalitions as possible influences on their outcomes, the outcome being the primary dependent variable.

Our method is to investigate a single case and attempt to generate a potential generalization for further investigation in other cases. From 1998 through the Doha ministerial conference of November 2001, the Like Minded Group of countries (LMG) illustrated what we call the strict distributive strategy in negotiations in the World Trade Organization. This coalition put forward a number of detailed proposals that would have shifted value from North to South and denied any negotiating gain to the North until the North had first granted the group's demands. Despite a great deal of organized professional effort in Geneva, however, the group sustained a major loss and collected relatively small gains especially on their leading issue compared with the status quo, by the time of the Doha conference as we read the record. The LMG did play a leading role in delaying what they regarded as another serious loss. But this coalition gained less at Doha than others such as the coalition concerned with TRIPS and public health, which used the mixed-distributive strategy, as shown in a companion paper.

The generalization, in summary, is that the strict distributive strategy carries two risks--no deal and fragmentation with loss. Under common conditions, what we call a mixed strategy is likely to gain more for a weak-state coalition as a group. One condition for gaining with the strict distributive strategy is credibility, which depends on unity. If a coalition makes a credible threat and remains united, the strategy will tend to shift the

[1] Early studies on coalition formation in GATT and WTO negotiations include Hamilton and Whalley, 1989; Kahler and Odell, 1989, Tussie and Glover, 1995. Narlikar, 2003, is a new book length treatment.

potential settlement point in their direction and result either in agreement with gains, or no deal at all if their preferred point is outside the zone of agreement. The strategy may also encourage outsiders to try to divide the members and undermine their credibility. If coalition members do fragment along the way, they probably would have been better off to have used a mixed strategy. The present case illustrates the second risk.

One caveat: We will not claim to have tested a hypothesis here. Qualitative methods such as the single case study and the comparison of a few cases are not designed to prove any general proposition conclusively. A larger number of cases selected neutrally would be needed for a test. Factors not emphasized here are likely to be important as well and every case will of course have unique features.

We begin with the reasoning behind our main argument. The subsequent section describes the negotiating strategy and agenda of the LMG. The third section develops our argument in this case by tracing the 1998-2001 negotiation process leading to the Doha outcome, which is described in the fourth section. The fifth section compares the LMG's outcome with those of two other coalitions that followed mixed strategies and gained more. The sixth section examines reasons why the Like Minded Group did not follow a more mixed strategy. The final section draws conclusions for researchers and negotiators.

## I. The Logic Behind the Main Argument

Any negotiation outcome will depend on how other parties play their cards too, of course; any government is operating in a strategic interaction. But with this complex reality as a backdrop, it may still be possible to identify some useful rough generalizations about strategies and their effects, other things being equal.

The strict distributive strategy has been defined in the introductory chapter as a set of tactics that are functional only for claiming value from others and defending against such claiming, when one party's goals are partly in conflict with those of others. It comes in both offensive and defensive variants. Opening with a high demand, delaying concessions, and offering arguments to persuade others to make unrequited concessions are tactics belonging to a strict distributive strategy. It can at least buy time for learning more about one's interests, forming coalitions, and reducing or delaying losses.

A stronger variant would also take others' issues hostage, threatening to block agreement on those issues if one's own position is not satisfied. Agreement in WTO multilateral talks almost always requires a consensus, which means even the smallest member has the formal authority (if not the informal power) to block the rest. An even more severe variant would add threats to penalize others outside the trade realm as well.

For delegates of a weak state surrounded by strong states whose goals may conflict with theirs in part, it may often seem safest and most natural to act defensively to protect against claiming by the strong. It may well be wisest in many cases at least to open with such tactics.

But one condition for success with any threat is credibility, which is where the weak start at a disadvantage by definition. The strong generally have far better alternatives to an agreement, by virtue of their market size, technological lead, global corporations and domestic political institutions. A threat by the weak is less likely to be believed in general, at least considering these objective power indicators alone. A threat by one small trader alone is especially unlikely to be believed. One WTO ambassador from a small developing country has contended that the authority to block is an illusion.

> The US can block a consensus but not [my country]. If you block, the entire weight of the organization comes down on you. The problem is that

on other issues I need others to be flexible. If I block on this issue, I am in trouble on the other issue.[2]

Weaker states may nevertheless attempt tactics to increase their threat credibility, and one such step is to form a coalition.[3] Yet any coalition, strong or weak and regardless of its strategy, will face three possible challenges to its unity. One general challenge is the familiar free-rider problem, which rises with numbers. Second, specifically in trade affairs, if coalition members' product interests diverge, this makes it difficult for members to agree on which concessions to make to outsiders in the endgame.[4] And in any regime, along the way outsiders may take steps to split a coalition and undermine the credibility of its commitment to its negotiating position. Thus the credibility of a threat by a coalition will depend on the coalition's response to efforts to split it. Coalition A could bet everything on the strict distributive strategy, calculating that adversaries will fall back in the final brinkmanship. But if the coalition itself fragments before the end, an individual member will end up making concessions in return for nothing, unless its government is prepared to take the risks of blocking the entire WTO by itself. Having passed up opportunities to gain some concessions by falling back from some of its demands, it reaps only losses.

More generally, parties' objectives in international negotiations are almost never perfectly opposed. Often there are also opportunities for deals that will make multiple parties, including coalition A, better off than before. To be sure, these possibilities are often difficult to identify. Many rational negotiators work strenuously to claim value from others where they disagree, especially at the beginning, and are careful to conceal their capacities to fall back to true reservation values, to enhance the credibility of their positions. They may also attempt to conceal their priorities across issues. But when parties' private objectives

[2] Interview, Geneva, 19 October 2002.

[3] Other tactics for increasing credibility are illustrated in a companion paper on the 2001 Trips/health coalition.

[4] Hamilton and Whalley 1989.

actually are partly consistent, integrative tactics sometimes elicit gains for A by either discovering and exploiting common interests, or uncovering differences that can be exploited for mutual benefit, as in commercial trade itself. Integrative tactics include asking other parties to identify their priorities, proposing an exchange of concessions, and proposing to redraw the issue space itself in a way that benefits some without costing others. These tactics require a minimal level of trust and a greater openness with information about one's own position. A mixed-distributive strategy is one dominated by distributive tactics but is diluted with integrative moves. A common mixture is sequential--beginning with the distributive and adding some integrative near the end.

Adhering exclusively to distributive tactics works against this process of mutual gains negotiation in general, reducing the odds that the whole body will discover and realize these opportunities for joint gain. If A refuses to engage in any integrative tactics, it encourages B and C to manipulate information, delay, take their own hostages, make threats, and develop alternatives to agreement with A. Party or Coalition A discourages B and C from initiating integrative moves and fails to discover what gains for itself might be achieved through logrolling or reframing.[5] Even when A makes a credible threat and B and C are considering yielding, the odds of settlement would be higher, goes the argument, if A's strategy mixes in some integrative elements that give the others some negotiating gains to deliver to their frustrated constituents. All this applies to powerful countries too. Quad negotiators also run the risk of forcing an impasse if they reject all integrative moves. But when coalitions of weaker parties are involved, the costs of using a strictly distributive strategy go beyond the lost opportunity to discover mutual gains. Adherence to this strategy may raise the odds of fragmentation, particularly when the ability of individual members to

[5] In a situation where the parties believe their objectives are completely opposed, we would not expect resort to integrative tactics since they can only expose the actor to exploitation. But any two states that value their long-term relationship have at least one common objective.

hold out in the endgame is adversely affected by the weaknesses and immediate pressures of low development and powerlessness.

**II. An example of a strict distributive strategy**

The LMG, now a recognized acronym in trade circles, began as an eight-member coalition in the preparatory process leading up to the Singapore Ministerial conference in 1996. India took the lead in forming the coalition,[6] whose original members were Cuba, Egypt, India, Indonesia, Malaysia, Pakistan, Tanzania, and Uganda. Its initial agenda was to block inclusion of the so-called Singapore issues of trade and investment, trade facilitation, transparency in government procurement and competition policy. The group helped forestall what they regarded as a loss in that the new issues were included in paragraphs 20-21 of the Singapore ministerial declaration only as part of a study program rather than actual negotiations.[7] Additionally, the LMG was vociferous in its opposition to the inclusion of labor standards in the WTO, and obtained a promise against this in the Singapore Declaration, paragraph 4. Recognizing the importance of having a positive agenda rather than simply opposition to the Singapore issues, from the preparatory process for the 1998 Geneva Ministerial onwards, the LMG began to focus on the problems that developing countries faced in implementing the Uruguay Round agreements. As a result of its activism, implementation issues were first accorded at least some recognition in the Geneva Ministerial Declaration, in paragraphs 8, 9, and 10.

But the LMG really came of age in 1999 when discussion began for the possible launch of a new round at the Seattle Ministerial. It was at this time that the LMG expanded to include the Dominican Republic, Honduras and Zimbabwe. It took a detailed and fairly consistent position in the debates on the launch of the Millennium Round. The group also

[6] Interviews, Geneva, 2002.
[7] WT/MIN(96)/DEC, 18 December 1996.

became relatively more institutionalized through its weekly meetings. By the time of the Doha Ministerial, the coalition included Sri Lanka, along with Jamaica as permanent observer. Kenya too began to attend its meetings.[8] While the group continued to meet after the Doha Ministerial, this paper focuses on the period from mid-1998 to 2001. This is partly because in this phase the group was its most active and its agenda was at its most evolved, to date. Additionally, this phase of LMG participation in the WTO was directed specifically towards the ongoing discussions for the launch of the new round that culminated in the Doha Development Agenda in November 2001. By focusing on these years we are able to observe a phase of negotiation that ended with an identifiable outcome.

This coalition was relatively small in numbers, consisting of only 14 out of 142 member states. But in the aggregate the Like Minded Group accounted for about 5 percent of world imports, making it stronger in underlying power assets than some developing country trade coalitions. It also brought together countries from different rungs of the development ladder, including Uganda and Tanzania as the LDCs, and combined countries from Central America and the Caribbean, Africa, South Asia, and Southeast Asia. This diversity ensured not only a greater legitimacy for the group, at least within the developing world, but further permitted an important sharing of resources. For instance, at least one LMG member would have representation in most small-group meetings involving developing countries, which meant that the LMG was kept abreast of all parallel research initiatives and

[8] Note that none of the proposals submitted have the name of the 'Like Minded Group' on them. They are however recognizable as the work of the LMG when similar combinations of countries, i.e. members of the LMG, sign on to them. Further, not all the proposals necessarily have the endorsement of the entire membership. For the purposes of this paper, we count all those proposals as LMG proposals as long as no more than three members of the group are missing. When the number of sponsoring countries falls to less than five, we see the proposal as coming from a sub-group of the LMG rather than the LMG itself. Also, when many of the members of the LMG sign on to a proposal, they must constitute more than half of the sponsoring countries for it to be considered as an LMG proposal for our purposes.

negotiating positions.[9] Still, whether such underlying assets are converted into negotiating gain will depend coalition strategy and its degree of unity.

During these years three broad sets of issues dominated the LMG's agenda: implementation issues, other development issues, and process-related systemic concerns.[10] The group was best known for defining and championing the issue that came to be called implementation. The issue had two components. To the first category belong problems developing countries were having implementing their commitments under the rules, due to capacity constraints especially in least developed countries. The second category referred to the alleged failure of the developed countries to implement unfulfilled promises of the Uruguay Round. Although the 1994 deal it had been designed as a 'Grand Bargain,'[11] developing countries had opened their markets quite significantly while developed countries had not delivered equivalent commercial gains to developing countries. One LMG ambassador stated the indictment in the following terms:

> The experience of the past five years with implementation of the Uruguay Round agreements has made it evident that the overall `package' of agreements covered by the `single undertaking' was inherently unequal. Moreover, several key agreements have been implemented in a manner that has eroded their spirit and compromised their objectives. Consequently, developing countries have not gained any meaningful increase in market

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[9] Interview with a WTO negotiator from an LMG country, 21 May 2003.

[10] Note that there is often a close link, even an overlap, between the implementation issues and development issues. But very broadly, the implementation issues refer specifically to the problems of implementing the Uruguay Round agreements that apply to developing countries as a group; development issues bring in issues that have traditionally been missing in the GATT and WTO and often apply specifically to the LDCs and small and vulnerable economies.

[11] Sylvia Ostry (2000) describes the 'Grand Bargain' as an "essentially an implicit deal: the opening of OECD markets to agriculture and labor intensive manufactured goods, especially textiles and clothing, for the inclusion into the trading system of trade in services (GATS), intellectual property (TRIPS) and (albeit to a lesser extend than originally demanded) investment (TRIMS). And also—as a virtually last minute piece of the deal—the creation of a new institution, the WTO, with the strongest dispute settlement mechanism in the history of international law."

> access in the key areas where they have a clear comparative advantage, especially textiles and agriculture.[12]

The LMG was at the forefront in raising the demand that until the imbalance of the Uruguay Round agreements was corrected, there was no question of beginning new negotiations in the WTO.

In raising implementation problems, the LMG went beyond simply opposing. They developed technical expertise and presented detailed proposals on a diverse set of WTO issues including TRIPS, TRIMS, agriculture including the Net Food-Importing Developing Countries, accelerated integration of textiles, customs valuation, and implementation of recommendations of completed reviews and WTO disciplines. All called for concessions by developed countries without offering them any negotiating gain. For example, the coalition pointed out that while 'S&D prior to the WTO was in recognition of the special problems of development faced by developing countries, …the WTO only recognizes the special problems that developing countries may face in the implementation of the agreements.'[13] The LMG argued that even this limited form of S&D (with an altered focus from enhanced market opportunities to the granting of transition periods and technical assistance) does not go beyond best-endeavor promises. As a result, the group emphasized that all existing S&D provisions in the different WTO agreements need to be fully operationalized and implemented.

To improve the payoff from the Textile agreement the LMG called for importing countries to grant growth-on-growth earlier rather than wait for it to take effect from 1 January 2002. The group also called for a moratorium to be applied by importing countries

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[12] Ambassador Munir Akram, Implementation Concerns – A Developing Country Perspective, South Bulletin, No. 6, 15 February 2001, viewed at http://www.southcentre.org/info/southbulletin/bulletin06/bulletin06.htm.

[13] WT/GC/W/442, Proposal for a Framework Agreement on Special and Differential Treatment, 19 September 2001.

on anti-dumping actions until two years after the entire textiles and clothing sector was integrated into the GATT.[14] In agriculture, the LMG called for the elimination of tariff peaks, tariff escalations and export subsidies by developed countries, a lowering of domestic supports, and the creation of a Development Box that would allow developing countries to deviate from their commitments to meet development and food security needs.[15] On TRIPS, the group presented an agenda similar to the coalition on TRIPS and public health in demanding that essential drugs of the WHO be included in the list of exceptions to patentability. It also raised several other demands under TRIPS such as the extension of the period of implementation, and extension of additional protection for geographical indications to products other than wines and spirits.[16]

The LMG was also active in the area of general WTO rules and disciplines. On anti-dumping, for instance, the LMG proposed ways of restricting back-to-back investigations, and that the lesser duty rule be made mandatory when a developing country is the target of the duty. On subsidies, in the name of balanced implementation the LMG proposed among other things that non-actionable subsidies be expanded to include the subsidies that developing countries use for development purposes.[17] The group called for making the provision on extended time periods for developing countries for SPS compliance mandatory, and appealed for a greater involvement of developing countries in all phases of standard setting under SPS and TBT. Throughout the period, the LMG pointed to the importance of technology transfer. It proposed the setting up of a Working Group to study

[14] WT/GC/W/354, Implementation Issues to be Addressed Before/At Seattle, 11 October 1999, WT/GC/W/355, Implementation Issues to be Addressed in the First Year of Negotiations, 11 October 1999.

[15] WT/GC/W/374, Agriculture, Proposal Under Paragraphs 9(a)(i) and 9(a)(ii) of the Geneva Ministerial Declaration, 15 October 1999.

[16] WT/GC/W/354, WT/GC/W/208, Agreement on TRIPS, Proposal Regarding Extension of Protection of Geographical Indications under Paragraph 9(a)(i) of the Geneva Ministerial Declaration, 17 June 1999.

[17] WT/GC/W/354; also WT/GC/W/164/Rev.2, Agreement on Subsidies and Countervailing Measures, 14 June, 1999.

the implications of the existing trade agreements on a commercial basis and ways of enhancing such transfer, particularly for developing countries.[18] Finally, the position of the LMG, even until November 2001, was consistent with its position at Singapore -- that no new issues (including the Singapore issues) could be brought in until the imbalance of the Uruguay Round was corrected.

Going beyond implementation of past agreements, the coalition also took the lead in raising certain other issues and proposals to aid development, particularly to help the least developed countries, the small and vulnerable economies, and some highly indebted poor countries (HIPCs). It proposed that in the medium term, WTO agreements should be amended to provide an ‘enhanced, effective and binding S&D scheme’ for developing countries. Bearing in mind the debt overhang of the HIPC countries, the LMG proposed the setting up of a Working Group to study the various implications of debt on the capacity of developing countries to take advantage of trade liberalization, and also to suggest remedial measures and appropriate flexibilities in the implementation of particular agreements countries facing high and specified levels of debt.[19] It also proposed the setting up of a Working Group for the study of the inter-relationship between trade and finance.[20]

Third, the LMG placed considerable emphasis on issues relating to the process of trade negotiation. First, this coalition spent much time internally engaged in what one delegate described as ‘the educative mode.’ Lacking sufficient information and understanding of the issues and having extremely limited governmental resources for WTO negotiations, coalition delegates divided the labor of studying the issues and shared their ideas for joint positions. Second, and particularly in the aftermath of Seattle, the LMG and

[18] WT/GC/W/327, Transfer of Technology Provisions in the WTO Agreements, 22 September 1999; WTO/GC/W/ 443, Proposal for the establishment of a Working Group for the Study of the Inter-relationship between Trade and Transfer of Technology, 18 September 2001.

[19] WT/GC/W/445, Proposal for the Establishment of a Working Group for the Study of the Inter-Relationship between Trade and Debt.

[20] WT/GC/W/444, Proposal for the Establishment of a Working Group for the Study of the Inter-Relationship between Trade and Finance, 18 September 2001.

many others raised the call for institutional reform in the WTO to improve the participation of developing countries.

In sum, the negotiating tactics used by the LMG toward the developed countries during this period typify a strictly distributive strategy.[21] In this case the strategy was offensive in its demand for immediate redress of the implementation issues, development concerns and systemic issues. It was defensive in its resistance to the Singapore issues, labor, or the launch of a new round of negotiations before LMG concerns were addressed. The following specific LMG tactics illustrate this type of strategy.

- The members formed a coalition consisting of those who agreed to work jointly to defend a central principle for claiming value from developed countries. In this case the central argument was that the Uruguay round package had been imbalanced and unfair to developing countries, either because of the terms of the 1994 agreements or the way the developed countries had implemented them. The coalition strongly criticized developed countries for failing to keep their part of the Grand Bargain and gave them little credit for what they had done.
- The LMG extended this argument by contending that if fresh concessions to developing countries were made conditional on launching a new round or adding new issues, it would be tantamount to the developing countries paying two, three or even four times for what they had been promised and had paid for in past rounds. (This reasoning assumed that the new issues would bring net costs, not benefits, to developing countries.)

[21] In practice a negotiator or delegation may not choose a strategy all at one time and in a self-conscious way. Some may choose one step at a time and accumulate a set of actions without considering them as a whole. But even if so, our premise is that it will still be useful to define strategies this way and classify actual behavior using these concepts, for purposes of research and improving general knowledge of negotiation.

- The coalition began with an extremely ambitious opening position, circulating detailed demands covering a large share of the existing WTO rules. Its 1999 agenda implied renegotiation of many Uruguay round agreements.
- The proposals offered no negotiating gain to the developed countries, in contrast for example to proposing a tariff-cutting formula designed to apply to all members. The predominant rationale as to why developed countries should make these concessions was presented not in terms of mutual gains but in terms of legitimacy, the correction of past injustices, and the exceptionality of the problems of developing countries.
- The coalition attempted to take others' priority issues hostage, a common distributive tactic. The LMG opposed proposals for issues that were high priorities for the European Union, Japan and the US, and threatened to block consensus on them unless LMG demands were granted.
- They placed the onus of correcting capacity-related constraints in developing countries at the systemic level, though some acknowledgement was made of the domestic limitations of developing countries in availing themselves of the benefits of liberalization in the proposals. Hence, for instance, the LMG demanded not only technical assistance to facilitate their participation in the multilateral trading system, but also enhanced market access and other forms of S&D from developed countries.
- Once the LMG had laid its proposals on the negotiating table, it limited itself exclusively to distributive tactics; as a group it never blended integrative tactics into its strategy, as some coalitions did. For instance, we have not found evidence of follow-up attempts, either in the form of concessions the coalition could consider making in return, or of willingness to introduce complementary measures at the domestic level to further their own agenda. We have not found evidence that the LMG prioritized its numerous demands or asked Quad countries to identify their relative priorities—common steps in

the process of identifying possible exchanges of concessions. The LMG did show a willingness to stagger some demands (e.g. its proposals on implementation issues identified some to be addressed before/after Seattle, and others to be addressed in the first year of the negotiations). But otherwise there was little indication of areas in which the LMG was willing to accept less or back down. All the demands seem to have been presented as an all-or-nothing package in which everything was a deal-breaker, rather than a set of prioritized demands on which some negotiation was possible. Even within the group at an informal level, there appear to have been no collective fallback positions, no Plan B on how to respond to pressures from the developed countries and negotiate settlements. While the 'educative mode' constituted integrative tactics, the sharing of experiences and learning by the LMG with non-members was usually open only to developing countries.

**III. The negotiation process, 2001**

What, then, were the effects of this strategy choice on the negotiation process and its outcome? It seems to us that this coalition's choice of a strict distributive strategy, given prevailing conditions, helps account for a disappointing outcome for the LMG. Of course many factors are always involved, not least the behavior of the strongest players. Yet bargaining outcomes vary to some degree despite continuing power disparities.

Consider a selective review of the process concentrating on the last half year. To summarize, given the LMG strategy with high opening demands, the Quad had three options. The EU and US could allow the situation to build up to an impasse. But in the aftermath of the debacle at Seattle and imperatives generated by 9/11, another stalemate would have had significant costs for them. The second option – to give in completely to the offensive demands of the LMG – would have been even more costly in their eyes. So during 2001 the two giants chose a third option and began to mix some integrative elements into their own distributive strategies to try to negotiate compromises they would find acceptable. Some of these integrative moves were targeted towards specific countries or sub-groups in and outside the LMG. When the LMG did not respond as a group to overtures toward compromise, these Quad carrots (and possibly sticks) had the effect of splitting the group. Eventually developing countries including some LMG members individually or in groups fell back from their own demands to negotiate at least some gains in Doha. By then the Like Minded Group had fragmented and with it, the credibility of its threat to block consensus.

In 2000 after the Seattle debacle, the WTO General Council, under the chairmanship of Norway's Ambassador Kåre Bryn, began to evolve a more transparent and inclusive process of negotiation to re-build mutual trust. It was agreed to give serious consideration to implementation complaints and reach decisions by the end of that year. That fall developing country delegates remained quite disappointed with a lack of concrete results.[22] Yet by January 2001, according to an African WTO ambassador,

> The tone has changed. Developing countries have had their 'mourning period' on implementation. Now people are talking about solutions. No one thinks industrialized countries will give developing countries more to 'rebalance' agreements without something in exchange.[23]

In 2001 the EU began to water down the terms of the Singapore issues that it would accept. For instance, it would allow developing countries to opt out of a WTO agreement restricting policies toward foreign investment. The EU offered its Everything But Arms initiative to least developed countries.

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[22] *World Trade Agenda [WTA]*, 20 November 2000, 6.
[23] *Financial Times [FT]*, 30 January 2001. No one except perhaps the LMG.

The new Republican administration in Washington dropped the labor rights issue and USTR Robert Zoellick met with numerous developing country ministers. He paid a visit to India in August. In late July the Indian newspaper *The Statesman* had written:

> The Doha WTO meeting, slated for November, will in all probability start a new round of trade talks. . . . But perhaps, New Delhi's official posture is not so much a given stance as a bargaining tactic. That is, by saying it will not relent it is checking out how much parties in favour of a new round are willing to concede. If so, that is not necessarily a bad strategy, provided India is sure of its bargaining strength. Punching above our weight, as we did at countless international fora during the days of Nehruvian highmindedness, is likely to produce a knockout blow in trade negotiations where national interest is fought for with bare knuckle ferocity. India cannot sabotage Doha. So, we must be ready to concede at the right moment, having first made a realistic assessment of how much we can extract, and what we have to give up.

While in India, Zoellick announced duty-free treatment on $540 million worth of Indian exports, in a clear move to induce India off its blocking position.[24] At that time *The Hindu* warned the government that many countries were deciding in favor of a round and that time was running out for India to influence the agenda.

> The Government is continuing with its efforts to build and maintain a developing country alliance. But, as past events have shown, this can come apart at the last minute. The Government should not be caught in a position

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[24] *Financial Times*, *The Statesman* (India), 9 August 2001.

in Doha where it has to sign on the dotted line because in the end it finds itself alone.[25]

The Indian government continued to refuse any deals.

On 26 September, WTO General Council Chairman Stuart Harbinson issued two single negotiating texts, draft ministerial declarations meant to express a possible consensus.[26] They were compromises and most delegations complained about items included or excluded. On 13 and 14 October Singapore hosted an informal meeting of 21 trade ministers from WTO countries to attempt to narrow gaps between them. Included were African countries that had been excluded from meetings in Seattle. After this meeting Singapore's Minister George Yeo reported that some degree of understanding had been reached on all the gaps and that the WTO was 75 percent of the way toward agreement to launch a new round. India's Minister Murasoli Maran was much less satisfied and continued to oppose a new round. But Pakistan "added to the view expressed privately by many delegates: that India has become increasingly isolated in its stance."[27] Pakistan's Minister Abdul Razak Dawood said, "We feel much more comfortable than two months ago. We are beginning to see a convergence of views on the main issues."[28]

On 16 October the European Commission announced it had granted Pakistan a side deal improving access for Pakistani textiles and apparel. India was reported to be "furious" over Pakistan's deal.[29]

On 27 October Harbinson published second drafts of his two main single texts plus one on TRIPS and public health. The text on implementation did not meet all LMG

[25] "Preparing for Doha," *The Hindu*, 11 August 2001.
[26] *International Trade Reporter [ITR]*, 4 October 2001, 1546.
[27] *ITR*, 18 October 2001, 1633.
[28] *Ibid*.
[29] *WTA*, 29 October 2001, 8.

demands. On the controversial new issues his text said “work” would proceed until the next ministerial conference after Doha, when decisions would be taken on “modalities” of negotiation. The Least Developed Country coalition rejected these drafts as imbalanced against their interests. Pakistan and India denounced Harbinson for planning to send the single text, omitting their dissenting positions, to ministers without a decision by the member states to authorize him to do so.[30] In Doha on the first day a large group of South Asian and African ministers repeated their blunt rejection of talks on investment or competition policy.[31]

Aileen Kwa (2003) cites evidence about other carrots offered and promised to individual members of the LMG to split them off. Regarding Pakistan she adds that the US gave it a large aid package. One week after the Doha Ministerial, the IMF and the World Bank agreed to debt service relief for Tanzania for US$ 3 billion under the HIPC Initiative. Jamaica and other countries of the Caribbean were given an aid package from the IMF after Doha for their post-9/11 tourism-hit economies. A week before Doha, she says, Japan signed a bilateral agreement on investment with Indonesia on the condition that Indonesia agree to an investment agreement at the ministerial. Our own research has not been able to confirm all these allegations. Nor is it clear that correlation, when it occurs, demonstrates causality, particularly since several of these payoffs seem to have been related more to support for the US war on terrorism than compliance with the Quad in the WTO.[32]

However, we too have found at least some evidence of carrots used to buy off individual LMG members. One coalition delegate reported that the Quad offered concessions that affected larger numbers of smaller countries, and in areas where there is no major trade impact (such as assurance of S&D), and in so doing managed to leave the

[30] Odell, 2003.
[31] *Bridges* Daily Update, 13 November 2001.
[32] Though it could be argued that the War on Terrorism itself affected the trade negotiations by creating new pressures for reaching agreement.

concerns of the larger countries (such as India) unattended.[33] So, for instance, the African Group, including the African LMG members, accepted the TRIPS and Public Health Declaration and a WTO waiver for the African-Caribbean-Pacific preferential arrangement with the EU. In return the African members dropped their opposition to negotiations over industrial tariffs, environment, and Singapore issues.[34] Promises of assistance for capacity building and development aid packages were important for the weakest members of the group.[35] The Egyptians are reputed to have been offered an aid package.[36] Pakistan was offered the US aid package and increased EU textiles quotas and is alleged to have tempered its position in the Textiles Monitoring Body in return.[37]

In addition to carrots, negotiators report that several sticks were also brandished. As one put it, adhering to the LMG position could have got us everything or nothing.[38] This was too big a risk to take, especially as some countries feared that they would lose even the little that they had gained on implementation.[39] Developing countries were told that if they didn't agree on the new issues, the ACP waiver and the Declaration on TRIPS and Public Health would be withdrawn. 'The other source of pressure was that no minister was prepared to be blamed for the failure of Doha, and standing in the way of fighting terrorism.'[40] Smaller countries were warned that if they continued with their opposition, their preferences would be withdrawn.[41] According to the accounts of LMG negotiators, threats extended to the balance of payments problems of developing countries, political issues, Free Trade Arrangements (FTAs) and the dependence of developing countries on the IMF.[42]

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[33] Interview, Geneva, 20 May 2003.
[34] Interviews with delegates from developing countries, May 2003.
[35] Interview with a WTO negotiator from an LMG country, 22 May 2003.
[36] Interviews, Geneva, May 2003.
[37] Interviews with delegates from developing countries, May 2003.
[38] Interview with a WTO negotiator from an LMG country, 20 May 2003.
[39] African delegate, quoted by Kwa, 2003, p. 29.
[40] Zimbabwe's Ambassador Boniface Chidyausiku, quoted by Kwa (2003), p. 31.
[41] Interview, Geneva, 23 May 2003.
[42] Interviews with WTO negotiators from LMG countries, May 2003.

Several LMG delegates report that the Quad, recognizing the unity of the LMG at the Geneva level, decided to exercise pressures in their national capitals. Ministers were called and told that their ambassadors were standing in the way of consensus and should be ordered to concede or recalled.[43] Some complied, given that many capitals were not as well-versed in the technical WTO issues as their diplomats, and the capitals, with their broader responsibilities, were also more susceptible to cross-issue linkages (e.g. development aid packages). In Doha itself, ambassadors were told that they could not speak on behalf of their ministers and were actively stopped from interjecting. In the past, ministers had had the discretion to call on their expert ambassadors to speak for them, and this change worked to the severe detriment of developing countries in general and the LMG in particular. As many ministers were not deeply familiar with the technical issues on the agenda, had little experience with the process in the WTO's Green Room, and sometimes even lacked the necessary skills in English, they were in a weak position to oppose. After Doha three ambassadors are alleged to have been recalled from Geneva because of their hard-line stance.[44]

Once the process of fragmentation begins, it can be expected to have an important effect on the internal dynamics of the group as well as externally. Internally, when one defects, the value of the coalition for the remainder diminishes, making defection look more tempting for them as well, producing a dominoes effect. As one LMG ambassador explains: "Once it became evident to the other countries that some were falling off, then they had to consider if it was politically prudent for them to take up a stance of resistance.'[45] Another similarly admitted, 'We were also afraid that if we continued to block, we would end up

[43] Such pressures were exercised not only on the smaller members of the LMG but also its more powerful members. For instance, Tony Blair is alleged to have called the Indian Prime Minister, Atal Behari Vajpayee, twice, who ultimately then asked Minister Maran to concede; reported in interview with a WTO negotiator from an LMG country, 20 May 2003.

[44] Interview with a WTO negotiator from an LMG country, 23 May 2003; Kwa (2003).

[45] Interview with a WTO negotiator from an LMG country, 21 May 2003.

becoming the only country that blocks. Remember, India was completely isolated at Doha and few countries can take that risk.'[46] Externally, declining unity of the coalition undermines its credibility to block, thereby further diminishing the likelihood of achieving the desired agreement with gains. This in turn may be expected to increase susceptibility to bilateral pressures and prompt further defections. A few may remain straggling along with the original group agenda, but they no longer pose a credible threat to block. These are also the countries that end up with neither a small bilateral deal nor the aspired collective gain.

The LMG maintained an active and coordinated position through much of the preparatory process. But by 14 November at the end in Doha, India stood alone at the vanguard of resistance, according to our interviews. The united front had collapsed. Most members of the group agree that they would have gained more collectively and individually had the LMG managed to hang together in the endgame.

## IV. The 2001 Negotiated Outcome: Little Gain and a Major Loss for the LMG

The outcome was disappointing for the LMG as a whole and perhaps even more so for the very few countries that had not yielded to bilateral deals. For the coalition the results as of the Doha meeting consisted of relatively little tangible gain on their major issues and a major loss, as we read the record in light of the coalition's stated aims and the surrounding context.[47] On their signature issue, implementation, they gained almost nothing of tangible value by November 2001. And they suffered a major loss--the launch of a new round without prior rebalancing of the Uruguay round's payoffs. The coalition could rightly point

[46] Interview with a WTO negotiator from an LMG country, 22 May 2003.

[47] This section does not attempt a comprehensive assessment of the Doha outcome for all parties. It only compares the stated demands of the Like Minded Group with the outcome on those issues. A more comprehensive assessment from a liberal economic standpoint, for example, would identify in the Doha deal considerable scope for achieving welfare gains through negotiating that is not highlighted here.

to certain other gains from this period, but these seem to be mostly less tangible or due partly to causes other than LMG efforts.

On the Group's signature implementation issues, the Doha result was "almost a bare cupboard," in the words of the Pakistani representative.[48] The ministers folded some of these issues into the new round--meaning that developing countries could be compelled to pay or pay again through the single undertaking (paragraph 47) for any new concessions received. Getting some implementation concerns into the round's agenda was a gain compared with having them excluded altogether. But the ministers separated most implementation complaints from the main ministerial declaration, shunting them into a separate "decision on implementation-related issues and concerns."[49] Most of the points in this "decision" merely took note of a report, urged members to make best efforts, or referred a matter back to a WTO body for more talks. The much-discussed idea of improving the Textiles Agreement by applying more favorable "growth-on-growth" provisions was downgraded to a request to the Council on Trade in Goods to talk about it again. The main declaration set a deadline of end of 2002 for action on these matters.

We find a few small tangible gains on implementation. Some paragraphs in the decision defined the phrase "reasonable interval" in existing agreements to mean not less than six months. Paragraph 11 agreed that members would not initiate TRIPS complaints under the nullification and impairment provision while members examined modalities for such complaints. This paragraph also declared that the TRIPS Council shall establish a mechanism for monitoring and implementation of previous obligations for technology transfer to the least developed. Otherwise, though, the strategy aiming to squeeze out gains before or during the Doha meeting had yielded little one could put in the bank.

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[48] Quoted by Panagariya, 2002

[49] WT.MIN (01)/Dec/17.

Coalition members can point to certain other gains they had sought, but most of these seem less tangible or due partly to other causes. The Doha Development Agenda is unprecedented in the attention it accords to development concerns. The main Ministerial Declaration uses the expressions 'least developed' countries 29 times, 'developing' countries 24 times, and 'LDC' 19 times.[50] But many of these references still amounted only to lip service. And it seems likely that at least some of this emphasis should be attributed to demands many developing countries would have vocalized in some way even had there been no LMG. Northern support for this rhetorical emphasis probably owed something to the Seattle debacle, which was due to more than LMG strategy.

Regarding implementation we believe, though we lack concrete evidence to document it, that this coalition's public campaign did help de-legitimate the Uruguay round deal in the eyes of many Northern trade policy experts. By the late nineties after also reading complementary publications by World Bank economists and others, many Northern observers privately seemed to recognize greater imbalance in the Grand Bargain than they had perceived in 1994.

In other matters of development, the main declaration included two provisions proposed by the Like Minded Group. The ministers established two new Working Groups on Trade, Debt and Finance (Paragraph 36) and Technology Transfer (Paragraph 37). But these were agreements only to study the issues jointly rather than to negotiate over them, and recommendations from these talks were limited to steps that might be taken "within the mandate of the WTO." Paragraph 44 reaffirms that the provisions of S&D 'form an integral part of the WTO Agreements.' References to S&D recur in all the declarations, both as a principle and in terms of its application to specific groups of countries like the Least Developed or the small economies. Paragraph 35 of the Main Declaration sets up a new

[50] Panagariya, 2002.

work program under the auspices of the General Council, directed towards fuller integration of the small and vulnerable economies into the multilateral trading system. Paragraphs 42 and 43 are devoted specifically to the Least Developed Countries. Paragraph 42 states, 'We commit ourselves to the objective of duty-free, quota-free market access for products originating from LDCs…. We further commit ourselves to consider additional measures for progressive improvements in market access for LDCs.' But the LDCs and the Small Economies respectively organized two coalitions of their own, parallel to the LMG, to work for these provisions. It seems natural to attribute these pieces of the outcome mostly to those other coalitions. References to technical assistance and capacity-building programs for developing countries recur throughout the declarations. But as we will show later, these were also a top priority demand of the African Group, which included many more members than the LMG and which made a credible threat to block the round if these promises were not part of the deal.

Regarding process-related systemic issues, the LMG had been among the most vocal and consistent groups in calling for greater transparency. The process of decision-making at Doha was certainly more inclusive than it had been at Seattle. Mike Moore reports in his book that of the 22 ministers present in the final negotiations at Doha, 16 were from developing countries. According to our interview sources, at least 6 of these were LMG countries. The open-ended pattern of consultation meetings in 2000 and 2001 was an important development beyond the less open processes at Seattle. However, while the LMG did vocalize these issues strenuously, it is difficult to attribute improvements in process solely or even primarily to the efforts of the LMG. Other factors may have played a significant part in precipitating change, including the Seattle collapse, general agreement even by the Quad that something had to change, initiatives by Chairs Bryn and Harbinson to help the parties evolve a more transparent process, and the active interest and proposals by NGOs and other groups.

The major loss was the launch of a new round without first getting more tangible gains to rebalance the Uruguay round agreements. In addition, one environmental issue was even added to the Doha agenda at the last minute to the surprise of many, even though many developing members had consistently opposed it and it had never appeared in a chair's text. The outcome regarding the Singapore issues was ambiguous. The declaration said the ministers agreed to launch talks on these issues - a loss for the LMG - but only conditional on a subsequent decision at the next ministerial conference. Relentless opposition by India and partners managed to delay this loss for at least two more years.

Overall, however, the coalition probably was worse off after the Doha Ministerial than before, judging from its collective goals. Nor did many demands of individual LMG members make their way into the Doha Declarations in any substantive way. Pakistan's gains on textiles in the declarations were few. Malaysia's successes on non-agricultural market access involved little more than a few unenforceable promises. Uganda's concerns about studying the implications of tariff reductions for the LDCs and the decline of preference margins went unnoticed. Mauritius got a promise of a study program specific to the small and vulnerable economies and recognition of the importance of S&D, but with no binding. Above all, these countries were now faced with an even more complicated set of issues to negotiate, to which their original concerns are bound, and with a deadline of 2005 for completing the Round. B.L. Das, former Indian Ambassador to the GATT, summarized the consequences of these LMG strategy choices and their interaction with those of other parties. "The transition from the long period of determined opposition to sudden collapse into acquiescence at the end has denied these countries the opportunity of getting anything in return for the concessions they finally make in the negotiations."[51]

## V. Fragmentation is Not Inevitable: LMG in a Comparative Light

Fragmentation is not inevitable, however. The result will also depend on how coalition members respond to attempts at divide-and-rule. Two different developing country coalitions responded during this same phase by rejecting lesser offers and holding together behind their joint position: the TRIPS/ public health coalition and the ACP.

In the case of the TRIPS/ public health coalition, as the Odell and Sell paper reports, the US offered deals appealing to sub-groups of countries within the coalition. The least developed countries were offered an extension of TRIPS transition periods for pharmaceutical products until 2016. For Sub-Saharan African countries, Zoellick proposed a moratorium on TRIPS dispute actions for measures they took to address AIDS. But the coalition stood firm. Just before the Ministerial, the US again offered the moratorium to African ministers at a meeting in Washington. But through internal bargaining efforts especially by Geneva diplomats, the coalition managed to avert possible defection at ministerial level. In Doha, the US agreed to negotiate on the basis of the coalition's proposal. Having achieved this much, the coalition reciprocated with some integrative moves and closed a deal.[52]

The case of the ACP 2001 was similar in the use of sequentially mixed strategy--strictly distributive tactics initially with subsequent integrative ones. On the last day of the Ministerial, six African ministers went to the Director General and firmly threatened to block unless they were satisfied on two issues: technical assistance and a WTO waiver for a new

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[51] Das, 'Strengthening Developing Countries in the WTO,' Trade and Development Series, No. 8, Third World Network, viewed at www.twnside.org.sg/title.td8.html.

[52] Odell and Sell, 2003.

preferential pact between the African, Caribbean and Pacific states and the European Union.[53] Others found this threat credible and the ACP got the waiver and the promise of assistance. In return for this concession, the ACP countries softened their stance on many other issues (including the LMG issues).

Of course there were differences between these two coalitions and the LMG besides their negotiation strategies. Activists on Trips/health saw an opportunity to make the emotional AIDS pandemic a factor in WTO negotiations to their advantage, and they allied with northern NGOs to reframe Trips as a public health question. This coalition represented a much larger share of the WTO membership—60 states—including populous Brazil, India, and all of Sub-Saharan Africa. The ACP was also a large number of members and it too set more modest goals than the LMG. But each of these two also began with a strict distributive strategy, achieved and maintained a credible threat to block, but then shifted to a mixed-distributive strategy in the endgame. Each fell back from many of its positions in order to take home some gains.

Had the LMG coalition used a mixed strategy with a similar sequencing, it is quite possible it too would have reaped larger gains. Suppose the LMG had started with high opening demands but eventually asked whether the Quad would concede on some areas in return for LMG concessions on others, or responded to such feelers from the Quad. To take a hypothetical example, the LMG could have scaled down its demands on Geographical Indications in return for substantive commitments on Anti-Dumping from the US. Even within the Singapore issues, one example of a fallback would have been to allow government procurement but circumscribe its scope to transparency rather than market access. Another would have been to allow talks on investment but on the condition that an agreement would allow governments to screen investments in the pre-establishment phase

[53] Interview with a participant in the meeting, Geneva, 24 September 2002.

and clearly specify the obligations of investors. In return the LMG would have held firm for something on its agenda. The Quad's integrative tactics suggest they were open to deals, at least up to a point. A prospect of reaping these greater gains on its collective agenda would in turn have reduced the temptation of coalition members to defect to separate bilateral deals, and thereby preserved the coalition's credibility in the areas where it stood firm.

**VI. Strategy Choice and Coalition Identity and Structure**

But then why did this particular coalition not choose a mixed strategy? Why did the LMG not attempt to bargain more in the endgame rather than simply acquiescing?

The most fundamental reason was that the very identity of this particular coalition, as understood by its members, worked against such a strategy. One negotiator explained: "The LMG was really about the inherently unfavorable Uruguay Round. Its point was that only after these issues had been addressed would it engage in new discussions.'[54] Another responded to this question saying:

> We didn't engage in such trade-offs, and I would argue that we still shouldn't. After all, a major goal of the LMG has been to restore the balance of the Uruguay Round agreements. Why should we pay a second, third or fourth price for that? We felt that the issues we had raised were important in themselves and should be considered on their own merit…[55]

To pay for new gains by falling back from these demands would have been to renege on their defining principle, they felt.[56] Because this principle applied across a range of issues, this coalition, unlike others, also tried to address multiple issues rather than a single issue.

[54] Interview with a WTO negotiator from an LMG country, 20 May 2003.

[55] Interview with a WTO negotiator from an LMG country, 22 May 2003.

[56] Actually, our interviews found that some delegates in coalition countries personally adhered to this principle with less strength than others.

This is not to say that all principles will be inconsistent with a mixed strategy. Negotiators in bilateral as well as multilateral talks commonly present their position draped with a principle in the hope of legitimating the position and turning opinion in its favor. Often they compromise later in ways not entirely consistent with the framing principle. And if other conditions and tactics are favorable enough, a delegation or coalition sometimes can generate a consensus to use its principle to define the agreement. The TRIPS/public health coalition in 2001 is an example.

A related reason for the LMG was that, because its members were a set of countries that adhered to a common principle rather than a set defined by specific commercial interests, this coalition's economic and policy heterogeneity inhibited internal agreement as to exchanges of concessions with outsiders. Such internal agreements are likely to be challenging for any coalition; homogeneity is never complete.[57] But some LMG negotiators say it was almost impossible for the LMG to engage in trade-offs or even agree on a fallback position for this reason. Consider the heterogeneity as to levels of development and export interests shown in the following table.

**The Like Minded Group: Goods Exports and Income Per Capita**

| **Member state** | **Income PC** Dollars 1995 | **Goods exports** million dollars 2001 | **Leading goods** Exports 2001 | **Share of world exports (%)** |
|---|---|---|---|---|
| Malaysia | 9770 | 87921 | integrated circuits<br>computer parts | |
| Indonesia | 3800 | 56321 | textiles and apparel<br>petroleum | |
| India | 1400 | 43611 | textiles and apparel<br>diamonds | |
| Pakistan | 2230 | 9242 | textiles and apparel<br>rice | |
| Dominican Rep | 3870 | 5333 | apparel<br>medical apparatus | |

[57] Hamilton and Whalley 1989.

| | | | | |
|---|---|---|---|---|
| Sri Lanka | 3250 | 4817 | apparel<br>tea | |
| Egypt | 3820 | 4128 | petroleum<br>cotton | |
| Kenya | 1380 | 1945 | tea<br>cut flowers | |
| Zimbabwe | 2030 | 1770 | tobacco<br>ferroalloys | |
| Cuba | na | 1708 | sugar<br>metallic residues | |
| Honduras | 1900 | 1318 | crustaceans<br>bananas | |
| Jamaica (observer) | 3540 | 1225 | textiles and apparel<br>aluminum | |
| Tanzania | 640 | 780 | coffee<br>fish | |
| Uganda | 1470 | 457 | coffee<br>fish | |
| LMG combined | | 220576 | | 4.6 |
| For reference: | | | | |
| China | 2920 | 266000 | | 5.6 |
| Japan | 22110 | 403496 | | 8.5 |
| USA | 26980 | 730803 | | 15.4 |
| European Union | na | 874100 | | 18.4 |

Income per capita 1995: PPP estimates, World Development Report 1997

Export data: 2001 WTO/UNCTAD Intl Trade Center on line

Given this diversity, it is hardly surprising that the LMG found it difficult to maintain staged, fallback positions. In fact, even an initial collective negotiating position must have been difficult enough to come up with. Several members tempered their own positions to accommodate the concerns of another member. Pakistan had already met the requirements of the Customs Valuations agreement but still supported the LMG's position on implementing it as the issue was of key importance to countries like India. Likewise Malaysia did not attach great importance to Customs Valuation but supported the collective position of the group. Honduras supported the group's position on the Textiles and Clothing, even though it enjoyed preferences and had little commercial reason to do so.

The collective stance would sometimes even entail costs to some members. On non-agricultural market access, Malaysia had a strong interest in dramatic tariff reduction, but nonetheless tempered its position to conform with the more defensive positions of some LMG members that rely on such tariffs for revenue and which felt that their industries still needed protection. In the latter group were not only the least developed but also Egypt and Jamaica. Similarly, India, Indonesia and Malaysia supported the subsidies extension for small economies, even though these economies produce goods that actually compete with their own.

Thus had the LMG agreed to concede on customs valuation, India would have protested. Had it agreed to aggressive tariff-reductions on non-agricultural market access, its least developed members would have walked out. Given its structure and agenda, it is not surprising that the LMG found it difficult to prioritize its demands.[58]

In fact, according to one interview, LMG members in 2001 did not even try to agree on fallback positions. They had expected to block if their demands were not met, did not anticipate that members would defect, and so did not plan for damage control.[59] Once a position was arrived at, the LMG would stick to it relentlessly, and thereby also increase the temptation of members to defect for smaller but more certain gains. The Trips/health coalition, in contrast, brought together countries with similar preferences focused on a single

[58] When we raised the question about prioritization, some of the negotiators responded that the Quad has indeed made such demands from developing countries. They interpreted these demands for prioritization as part of a strategy of claiming value from them rather than creating joint gain. This would suggest possibly a new variable relating to the level of trust between the negotiating parties. It may also be possible to speculate that the level of trust will increase if the two parties attempt to use mixed strategies.

[59] Interview, WTO negotiator from an LMG country, 20 May 2003.

main issue. Clearly not all weak-state coalitions need to be structured as the LMG was. Those formed with a different structure in the first place will probably be less inhibited from using a mixed strategy. And coalition formation is itself part of the negotiation process, not a factor exogenous to it.

A third reason for the strategy choice in this case might be domestic hostility toward the WTO in India, the coalition's most active member. There the WTO is widely condemned and few firms or politicians speak in favor of additional WTO agreements, especially not for more agreements like TRIPS. Rigid opposition was believed to be more popular with the public and parliament than a more flexible strategy involving concessions, even if the former meant losses and the latter meant some gains for India. It has also been argued that the fact that India had a coalition government during this period further lowered the odds the government would take the risk of offering concessions before force majeure made them seem unavoidable.[60]

## VII. Conclusion

We conclude that the use of a strictly distributive strategy by the LMG was a significant contributor to their disappointing outcome in 2001, leaving it perhaps worse off after Doha than before, according to its own stated collective objectives. Faced with their high demands and distributive tactics, the EU and the US attempted the cheaper alternative of buying off individual members and succeeded. Had the coalition not fragmented, several of its negotiators believe it would have gained more in Doha. But as soon as the coalition began to fragment, its credibility was undermined, thereby increasing the vulnerability of remaining members to bilateral pressures. As a result, collectively the LMG got little, while

[60] Interview, Geneva, December 2002.

the few countries that adhered to the collective position until the end left empty-handed or worse.

These cases have implications for researchers and negotiators more generally. They suggest that a mixed strategy is likely to gain more for a weak-state coalition than the strict distributive strategy at least under common conditions. These are only a few cases, however; more research is needed to check this proposition and explore its limits. Under what conditions might the strict distributive strategy gain more than it did here? Some speculations might be added in conclusion.

Two risks have been identified. Regarding fragmentation, any coalition can expect to gain more if it corrals free riders and fends off splitting tactics. The odds of doing so will be greater if the coalition is structured in the first place to have greater homogeneity, though interests will always diverge to some degree. A single-issue coalition may have less difficulty in practicing a mixed strategy, though that type of coalition also faces significant problems.[61] Second, assuming some heterogeneity, the odds will be greater if some member or members make side payments to other members to offset the attraction of defection. Doing so may have political costs, however, if the side payment takes the form of a commitment to open the home market. Few developing countries have the resources for financial side payments. Less costly, third, are diplomatic efforts to persuade other members to reject outside offers, by arguing that remaining loyal to the group promises greater gain for that country than defecting. We need more research, however, on what which persuasive efforts tend to be more effective in negotiations.[62]

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[61] Narlikar, 2003.

[62] See the companion paper by Odell and Sell for some ideas. The strategy may generate greater success in the hands of a coalition of powerful countries, since for one thing, powerful countries can better withstand bilateral splitting tactics. Robert Jervis (1978) captures this idea in his interpretation and application of Rousseau's Stag Hunt: 'If the failure to eat that day – be it venison or rabbit – means that he will starve, a person is likely to defect in the Stag Hunt even if he really likes venison and has a high level of trust in his colleagues. (Defection is especially likely if the others are also starving or they know that he is.)'

If coalition unity is maintained and a threat to block is credible, the strictly distributive strategy can gain more if other players can be persuaded they lack an attractive alternative to settling for these terms. But the second risk is impasse. If an outsider believes it has an alternative to a WTO agreement that is equal or superior to the coalition's terms, the outsiders may well prefer no deal with the coalition. This of course is where smaller and poorer states are definitionally at a disadvantage; the richer and more self-sufficient generally have better alternatives. Still, what matters most is how parties perceive their alternatives at a particular time. Studies of the "power of the weak" identify tactics for influencing these perceptions.[63]

Looking beyond a given negotiation episode, it could be argued that taking a strong stand and demonstrating unified willingness to accept a breakdown at one stage will increase the credibility of the threat to walk away in future episodes. But in a boundedly rational world, it is also difficult to know what alternatives others will perceive at that future time. Another risk is that breakdowns will encourage other parties to develop their alternatives, or that trade negotiators will lose control of the process entirely to powerful politicians with other agendas.

The Like Minded Group's experience from 1998 to 2001 leaves several other practical lessons for those who seek to negotiate agreements. Among these are the importance of being prepared for surprises with fallback positions, ensuring that ministers understand the technical issues so that Geneva-level intra-coalition coherence is maintained, and perhaps engagement with civil society.

In sum, low-income and middle-income countries face daunting obstacles to success in WTO negotiations whatever strategies they choose. But one of the things they control is

[63] See references in the introductory chapter.

how they negotiate. The implication is that their own strategy choices can make some difference.

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