Heroes of the developing world? Emerging powers in WTO agriculture negotiations and dispute settlement

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ABSTRACT
Agriculture has been a key issue of North-South struggle at the WTO. Emerging powers like China, India and Brazil have portrayed themselves as leaders of the Global South, crusading to make the trading system fairer for developing countries. This article analyzes three cases—the cotton dispute, subsidies and public stockholding—that have been at the center of WTO negotiations and dispute settlement on agriculture since the collapse of the Doha Round. While presenting themselves as champions of the developing world, I show that the emerging powers have been advancing their own interests, often at the expense of other developing countries.

KEYWORDS
Emerging powers; World Trade Organization (WTO); agriculture; subsidies; cotton; China; India; Brazil; Third Worldism

In the multilateral trading system, the rise of new powers, such as China, India and Brazil, has been accompanied by an apparent resurgence of an earlier era of Third Worldism. During the Doha Round of trade negotiations (2001–2011), propelled by the South-South coalitions created by the emerging powers, global trade politics came to be defined as a North-South struggle, focused heavily on the issue of agricultural subsidies (Singh 2017). Agriculture is an area of critical importance for developing countries, but it is also one of the most contentious areas of the trading system (Margulis 2016; Scott 2017).

Power asymmetries between the Global North and the Global South led to a highly unbalanced set of agricultural trade rules. Dominated by the US and EU, the construction of WTO rules on agriculture—as well as related areas such as intellectual property—during the Uruguay Round (1986–94) privileged the interests of Northern farmers and agribusiness and contributed to the growing concentration of corporate power in global agro-food systems, while developing countries, and particularly the interests of their small farmers, have been marginalized (McMichael 2014). Consequently, ‘elite Northern interests … use[d] the WTO as a tool to preserve their own subsidy regimes, while at the same time enforcing liberalization on the rest of the world’ (Pritchard 2009, 302). Many
developed country governments have long maintained high levels of agricultural subsidies, and these subsidies have become a touchstone for concerns about injustice in the trading system (Eagleton-Pierce 2012; Singh 2017). Agricultural subsidies provided by richer states drive down global prices, undermining the competitiveness of farmers in poor countries and lowering their incomes (Hopewell 2016b; Scott 2017).

Agricultural subsidies have thus been seen as epitomizing the ‘rigged rules and double standards’ of the trading system, as Oxfam put it (2002, 11):

Nowhere are the double standards of industrialized-country governments more apparent than in agriculture. Total subsidies to domestic farmers in these countries amount to more than $1 billion a day…. subsidized exports from rich countries are driving down prices for exports from developing countries, and devastating the prospects for smallholder agriculture…. Some of the world’s poorest farmers are competing against its richest treasuries.

As a result, as Philip McMichael (1998) argues, international trade has been based not on comparative advantage but on ‘comparative access to subsidies.’ Moreover, under neoliberal structural adjustment programs imposed by the IMF and World Bank, developing country governments were forced to open their markets and dismantle their systems of protection and state support for farmers (Edelman et al. 2014). The result was the dumping of cheap, subsidized agricultural products from the Global North into the increasingly unprotected markets of the Global South, with devastating consequences for their peasant farmers, many of whom live in poverty.

Reducing rich country agricultural subsidies has been a key priority for developing country governments in the multilateral trading system, where it has been identified as an important way in which global trade rules can advance the interests of developing countries and help to raise incomes and alleviate poverty in the Global South. The emerging powers played a central role in putting the agricultural subsidies issue on the agenda at the WTO (Clapp 2007; Eagleton-Pierce 2012; Hopewell 2013; Margulis 2010; Scott 2017). During the Doha Round, the emerging powers formed major coalitions of developing country governments – the Group of 20 (G20) and the Group of 33 (G33) – to counter the traditional dominance of the Global North and purportedly advance the interests of developing countries in the agriculture negotiations.3 One of their core demands was that the multilateral trading system be made fairer to developing countries by disciplining rich country subsidies, which became a key unifying demand of developing country governments (Clapp 2007; Narlikar and Wilkinson 2004). In addition, the Brazilian government, backed by many developing country governments as third parties, successfully used the WTO’s dispute settlement system to challenge US cotton subsidies and EU sugar export subsidies, winning landmark victories in both cases. The activism of the emerging powers on agriculture subsidies transformed the dynamics of multilateral trade negotiations, bringing an end to the unfettered dominance of the US, EU and other advanced-industrialized states and making their trade policies a key target (Hopewell 2016b). Developing world coalitions centered on the emerging powers energized the Global South (Clapp 2007). According to many observers, these coalitions were seen as

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3The strongest and most extensive developing world alliances have been formed in the agriculture negotiations, where the issue of rich country subsidies served as a powerful force to unite developing country governments. In the negotiations on manufactured goods, the divergent interests of states – with many acutely concerned about competition from China’s manufacturing exports – precluded the same sort of broad South-South alliances that occurred in agriculture.
empowering developing countries, giving them greater voice and influence in multilateral trade negotiations (Yu 2011), and they undoubtedly helped to ‘usher in a new politics of confrontation between the developed and developing world’ at the WTO (Hurrell and Narlikar 2006). Strategically, these coalitions proved extremely useful for the emerging powers, significantly enhancing their bargaining power and their ability to defend their interests against the traditional powers (Hopewell 2017).

At the WTO, as in global economic governance more broadly, the emerging powers have portrayed themselves as leaders of the developing world, defending and promoting the interests of the Global South and crusading to make the multilateral trading system fairer and more responsive to the needs of developing countries. This article critically interrogates these claims, analyzing the impact of the emerging powers on WTO negotiations and dispute settlement on agriculture. While volumes have been written about the emerging powers’ role during the Doha Round (see, for example, Clapp 2007; Hopewell 2016b; Narlikar and Wilkinson 2004), this article analyzes more recent developments at the WTO, focusing on three cases: the cotton dispute, subsidies and public stockholding. These have been among the most important issues in WTO negotiations and dispute settlement on agriculture since the Doha collapse, and they are all issues on which the emerging powers have each played a central role. Drawing on these three cases, I show that despite presenting themselves as champions of the developing world, the emerging powers have been advancing their own interests, often at the expense of other developing countries.

There has been fierce debate about the WTO in critical agrarian studies. Although there is widespread agreement that ‘current international trade practices and trade rules are not working in favor of smallholder farmers’ (Windfuhr and Jonsén 2005, 32), the debate concerns what is to be done. Some maintain that the answer is to ‘get the WTO out of agriculture.’ But others have argued that rather than rejecting the WTO, the goal should be to reform multilateral trade rules to make them more just and equitable, by addressing the unfair and harmful trade practices of powerful states and advancing the interests of developing countries and their small farmers (Burnett and Murphy 2014). To be clear, this is not to suggest that developing countries should simply rely on the ‘magic of the market’ or fetishize trade as the solution to poverty, hunger or underdevelopment, as advocated by the failed neoliberal orthodoxy (McMichael 2020). But tens of millions of small farmers and farm workers around the world already rely on exports for their livelihoods and food security, and many others face unfair competition from subsidized imports in their domestic markets (Burnett and Murphy 2014). Activists and scholars alike have argued that it is therefore important to reform the rules regulating global trade to better protect and promote the interests of these small farmers, particularly the poorest and most vulnerable (de Shutter 2011; Focus on the Global South 2013; Margulis 2014). As Rachel Soper (2020) shows, opposing neoliberal globalization does not necessarily mean opposing exports or trade: some peasants view exports as an important means of improving their livelihoods, rather than producing solely for local markets or their own subsistence consumption, and therefore want to engage in global trade, but to do so on more favorable terms. Critical scholars have thus argued for greater attention to the rules and institutions ‘needed to help small farmers secure more equitable, stable and democratic positions within trading networks’ (Edelman et al. 2014, 916). As this paper will show, however, if the goal is to create a more just and equitable international trading system, it is no longer
enough to focus solely on the trade policies and practices of the traditional powers – the US, EU and other advanced-industrialized states. Amid changing configurations of power in global agri-food politics (Belesky and Lawrence 2019; Margulis 2014; McMichael 2020), far greater attention is needed to the behavior of the Chinese, Indian and Brazilian governments at the WTO, and the impacts of their policies on other developing countries.

**Emerging powers: ‘champions of international fairness and justice’?**

The rules of global trade have always been heavily shaped by power politics. As Kelly and Grant (2005, 2) aptly state, echoing Thucydides, in the multilateral trading system, ‘the strong do what they will and the weak do what they must.’ For over half a century, the GATT/WTO was dominated by the US, EU and a handful of other advanced-industrialized states, while developing country governments were largely excluded from decision-making. As a result, liberalization was highly selective and concentrated in areas of interest to the powerful states of the Global North (McMichael 2014; Pritchard 2009). When developing country governments sought to go outside the GATT/WTO to construct a more equitable set of rules for the global economy that would help advance the goal of development – through, for example, the Third World movement to construct a New International Economic Order (NIEO) in the 1970s – their efforts were subsequently blocked by the traditional powers. Now, however, for the first time, three developing country governments – China, India and Brazil – have a seat at the table in the elite inner-circle of decision-making at the WTO and significant economic and political clout (Hopewell 2017).

There has been considerable debate about whether the emerging powers could help democratize global economic governance, usher in a more equitable and progressive global economic order, and make the WTO and other global economic institutions work better for developing countries (Evans 2008; Gray and Murphy 2013; Pieterse 2011). Some have suggested the Global South may be emerging as a real economic and political force that moves beyond dependence on the West to form a new center of power in the global political economy. There has been much talk of ‘the rise of the rest’ (Zakaria 2008) – the countries of the Global South that were excluded from the centers of economic and political power during the era of US hegemony – as though what is occurring is the collective rise of the developing world. Fareed Zakaria (2008), who coined the phrase, even explicitly describes this as ‘the rise of everyone else.’ But is ‘the rest’ really rising, or just a handful of emerging powers? And, if the latter, what then does the rise of new powers from the Global South mean for the rest of the developing world?

As Gray and Murphy (2013) write, the emerging powers are ‘openly critical of the perceived bias towards the Global North in the institutions of global economic and political governance structures and seek to alter the global status quo.’ This has led many to assume that an increased voice for the emerging powers in global institutions will help make those institutions more responsive to the needs of the developing world (Gray and Murphy 2013). Arrighi and Zhang (2011; 45–46), for instance, maintain that the emerging powers could
lead to the formation of a new and more effective Bandung – that is, a new version of the Third World alliance of the 1950s and 1960s better suited to counter the economic and political subordination of Southern to Northern states in an age of unprecedented global economic integration.

Jan Nederveen Pieterse (2011) argues that ‘because they are also developing countries and share colonial experiences and frictions with institutions of the North,’ the emerging powers have a natural affinity with other developing countries. He therefore suggests that contemporary power shifts herald a global rebalancing of power towards the Global South – which he dubs an ‘emancipatory multipolarity,’ with the potential to lead to genuine advances for most of the world’s population. Indeed, Pieterse specifically points to the WTO Doha agriculture negotiations as an example of the emerging powers ‘acting in sync’ with the rest of the developing world.

Certainly, the emerging powers are keen to foster this view. Within the multilateral trading system, the governments of China, India and Brazil have actively evoked the Third Worldism of the 1950s–70s in emphasizing the solidarity and unity of purpose of developing countries in opposing the traditional powers. Their rhetoric has framed global trade politics as a struggle between developed and developing countries, positioning themselves as developing world leaders striving to protect the livelihoods of vulnerable populations worldwide and their right to development. The Chinese government has characterized itself, to quote its official trade representatives, as acting as a ‘champion’ of ‘international fairness and justice’ in seeking to ‘uphold the basic rights of developing countries’ (quoted in Inside US Trade Daily Report 2019). Brazil’s Ambassador described the G20 coalition led by the Brazilian government as ‘developing countries expressing their interests as one,’ while then-President Lula (2003) claimed that its battle to reduce rich country agricultural subsidies would ‘bring better living conditions to billions of farmers around the world.’ The Indian government, in the words of one of its negotiators, has claimed to be ‘a crusader for developing countries.’ According to its Trade Minister, the Indian government is defending the position of ‘a hundred developing countries, representing a billion subsistence farmers’ against ‘the commercial interests of the developed countries’ (quoted in The Guardian 2008).

The emerging powers have thus sought to portray themselves as defending and advancing the interests of the Global South in the global trade regime. The governments of China, India and Brazil have each placed heavy emphasis on Third World solidarity in challenging the agricultural trade policies of the Global North, and their ability to gain the support of other Southern states has undoubtedly enhanced their power in multilateral trade negotiations (Hopewell 2015). As the following analysis of their agricultural policies and actions at the WTO will show, however, despite their rhetoric of Third World solidarity and cooperation, the behavior of the emerging powers has been primarily self-serving, often with negative consequences for other developing countries.

Amid a rapidly growing literature on emerging powers, such as the BRICS, there have been growing calls for more research on how the rise of new powers from the developing world is affecting the rest of the Global South (Chin 2015). As Nel and Taylor (2013) argue, ‘detailed analysis of what is actually happening in the foreign economic policies of the

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4Interview, Geneva, April 2009.
5Interview, New Delhi, 2010.
dynamic developing economies, and the implications these have for the rest, is essential.' Existing scholarship on the impact of the rising powers for other developing countries has overwhelmingly focused on China and its manufacturing exports, demand for resources, or overseas investment and aid (Bräutigam 2009; Jenkins and Barbosa 2012). Remarkably, however, there has been little attention to how the trade policies of the emerging powers and their behavior in global trade governance are affecting other developing countries. Although scholarship on the semi-periphery has long problematized the simplistic characterization of the global political economy as divided along North-South lines (Worth and Moore 2009), in global trade politics, particularly on agriculture, the North-South framing remains deeply entrenched.

Since the collapse of the Doha Round, some have been quick to assume that the WTO is no longer relevant, but that is not in fact the case. The WTO remains the core forum for global trade governance and a major site of negotiating activity. While efforts to construct a comprehensive multilateral trade agreement have been abandoned, negotiating efforts have instead shifted to trying to arrive at narrow, targeted agreements on specific trade issues.6 States have successfully concluded several agreements, including most notably on trade facilitation in 2013 and export competition in agriculture in 2015 (Margulis 2018a; Wilkinson, Hannah, and Scott 2014). Multilateral negotiations are currently taking place on a number of important issues related to agriculture, including subsidies, public stockholding and cotton.7

Research methods

This analysis draws from a larger project examining emerging powers at the WTO, involving extensive field research conducted over an eleven-year period between 2007 and 2018, capturing both the collapse of the Doha Round as well as the post-Doha negotiations on agriculture. Over 200 interviews were conducted at the WTO in Geneva, as well as in Beijing, New Delhi, Sao Paulo, Brasilia, Brussels, and Washington; approximately half of these interviews concerned WTO agriculture negotiations or dispute settlement. Interview respondents included WTO member-state delegates (ambassadors and trade negotiators) and other senior officials, as well as representatives of NGOs, social movements, agribusiness associations, farmer organizations, and peasant groups. The study employed purposive sampling and maximum variation sampling to ensure key actors were represented and a diversity of viewpoints captured. In interviewing WTO negotiators, for example, respondents were selected to ensure equal representation from developed, emerging, developing, and least-developed country (LDCs) governments8; net agricultural exporters and importers; and states with offensive and defensive negotiating interests. Interview respondents were identified and contacted through a combination of snowball sampling and direct, cold contacts. Given the politically sensitive nature of the material disclosed, interviewees were guaranteed anonymity. In addition, the research

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6The Doha Round was intended to be a ‘comprehensive’ trade agreement, encompassing a wide range of different trade issues (e.g. agriculture, fisheries, manufactured goods, services, trade facilitation, rules, etc.) in a single agreement.

7Agriculture is now one of the sole active areas of negotiation at the WTO; negotiations on manufactured goods, for example, have largely been moribund since the Doha collapse.

8LDCs are treated as a distinct category within the WTO and granted special considerations under WTO rules. The WTO recognizes as LDCs those countries that have been designated as such by the UN. Of the 47 countries that the UN classifies as LDCs, 36 are currently members of the WTO.
involved detailed documentary analysis of primary sources, such as WTO negotiating texts and proposals.

**Impact of emerging powers at the WTO**

**Brazil: the cotton dispute**

The Brazilian government has been widely seen as championing the interests of the Global South by taking on the WTO’s two traditionally dominant powers, the US and EU, and challenging their agricultural subsidies through the WTO’s dispute settlement mechanism. The Brazilian government’s successful legal challenges in the US cotton subsidies case and the EU sugar export subsidies case were heralded as landmark victories for the developing world. The image of the Brazilian government as a leader of the developing world helped to significantly increase its bargaining power at the WTO, as well as its status and prestige on the international stage more broadly (Hopewell 2015; Narlikar 2010; Schirm 2010). However, the ultimate resolution of the cotton case suggests that while its claims to be acting on behalf of the developing world had considerable strategic value for the Brazilian state, its actions were primarily self-serving: in the end, the Brazilian government settled the cotton dispute by making a deal with the US that yielded substantial gains for Brazil’s agribusiness sector, yet other developing country farmers saw little benefit.

Cotton is often seen as epitomizing the injustice of the trading system. Cotton is a commodity of crucial importance to the Cotton-4 (C-4) group of West African cotton producers (Mali, Chad, Benin, and Burkina Faso), as well as many other developing and least-developed countries in Africa and throughout the world. It is the second most important agricultural export for LDCs (Hepburn 2017). Cotton is one of the most important crops in sub-Saharan Africa, with some 15 million people directly dependent upon it (Meyer and Terazono 2014). Some of the poorest countries in the region rely on cotton for as much as 40% of their export revenues (Singh 2014). For these countries, cotton is their lifeblood, vital to employment and reducing poverty (Sneyd 2016). Nonetheless, however, even though the US is a relatively inefficient cotton producer – with average costs of production four times higher than some African countries – heavy subsidies have made it the world’s largest cotton exporter (ICAC 2016a).

In recent decades, fueled by the rapid expansion of its highly-industrialized agribusiness sector, Brazil has emerged as one of the world’s dominant agricultural powers. It has become one of the largest cotton exporters, as well as a leading exporter of many other agricultural commodities, and a major challenger to the world’s largest agricultural exporters, the US and EU (Hopewell 2016a; Margulis 2014). This growth has been driven by the expansion of corporate farming and the emergence of ‘mega farms’ with planted areas in excess of 1 million hectares. There are now over 20 Brazilian agribusiness firms with annual sales of more than US$1bn and many others poised to soon reach this level.9 Many of Brazil’s largest companies have globalized their activities and joined the ranks of the world’s leading agribusiness multinationals. Agribusiness now accounts for 75% of Brazil’s agricultural production and virtually all of its exports; however, the vast

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9 Calculated from Valor Econômico, As 1000 maiores empresas do brasil, 2019.
majority of the country’s farmers (85%) are small-holders, peasants and subsistence producers, who have seen little benefit from Brazil’s export boom but instead have increasingly come under threat from the expansion of agribusiness (MDA 2009). The success of Brazil’s agribusiness sector has been built on one of the most unequal land structures in the world, with just 1.5% of rural land owners occupying 53% of all agricultural lands (Clements and Fernandes 2013). This extreme land concentration is not incidental but essential to its agro-industrial model, with the productivity and competitiveness of Brazilian agribusiness predicated on massive economies of scale and large-scale land holdings. The expansion of agribusiness has only increased the concentration of large land holdings and exacerbated Brazil’s already highly unequal land distribution. In addition, Brazil’s industrialized agriculture sector is highly mechanized and capital-intensive, limiting its capacity for employment creation. As a result, there has been extensive criticism from social movements, such as the Landless Workers Movement (MST), of the social and environmental costs of Brazil’s agro-industrial export model. Yet, despite such concerns, Brazilian trade policy has prioritized the commercial interests of agribusiness and the continued expansion of exports (Hopewell 2016b).

In 2002, at the behest of its increasingly powerful agribusiness lobby, the Brazilian government launched the WTO disputes against US cotton subsidies and EU sugar export subsidies. The cases were financed by its cotton and sugar agribusiness associations, ABRAPA and UNICA. Brazil won both cases in 2005, which marked the first time that a developing country government had successfully challenged developed country agricultural subsidies. As a result, the EU was required to reform its sugar support programs to eliminate the offending export subsidies. The US was ordered to reform its cotton support programs, including eliminating its most egregious cotton subsidies; if it failed to do so, the Brazilian government was granted the right to impose over $800 million annually in retaliatory trade sanctions against US goods, pharmaceuticals, and software.

The Brazilian state was able to use the disputes to construct a David-and-Goliath-like image of itself, as a hero of the developing world taking on the traditional powers (Hopewell 2013). Despite Brazil’s major agro-industrial interests in cotton, the cotton case came to be framed as a struggle of poor, developing country cotton farmers against the US. NGO campaigns, led by organizations like Oxfam and the IDEAS Centre, had drawn global attention to the impact of US subsidies on impoverished cotton farmers in West Africa and generated widespread public condemnation of US subsidies. Brazilian officials actively cultivated the association between Brazil’s cotton case and the plight of poor West African cotton farmers. The Brazilian government convinced two C-4 states – Benin and Chad – to join the case as third parties. It frequently referenced the situation in the cotton sectors in these African countries in its legal submissions and exhibits for the case (WTO 2004). It also attached a statement from Oxfam regarding the impact of subsidies on West African cotton producers to its own legal submission. In the cotton case, the Brazilian government explicitly framed itself as defending the interests of the developing world against the US: as one of its representatives stated, ‘What we want is progress … I am not worried about American interests. I am concerned with international trade interests, with Brazilian farmers, with African farmers, with developing-country farmers’ (quoted in Milligan 2004).

The cotton case was heralded as opening the door to ‘an unprecedented assault by some of the world’s poorest countries on the agricultural policies of its richest’ (Wallis
and Williams 2002). The case was widely characterized as an indicator of whether the WTO and the international trading system could ‘work for the poor’ (Milligan 2004), and the Brazilian government’s victory was portrayed as ‘a triumph for developing countries’ (Bridges 2004). As one Brazilian official indicated, ‘the disputes were symbolically very important in strengthening our position. They served as very friendly propaganda.’

The cotton case united Southern states behind the Brazilian government, enabling it to create the G20 coalition in opposition to US and EU agricultural subsidies, which in turn helped catapult the Brazilian government into the WTO’s inner-circle of power during the Doha Round (Clapp 2007; Hopewell 2015).

Ultimately, however, the Brazilian government’s resolution of the cotton dispute was profoundly disappointing for other developing countries and their cotton producers (Singh 2014). In 2010, under pressure from the threat of Brazilian retaliatory sanctions, the US government agreed to compensate Brazil by paying its farmers $147 million per year, until a mutually agreed solution for reform of US cotton subsidy programs was reached and incorporated into the passage of the next US farm bill. According to the IDEAS Centre (2010), however, an NGO that has been the chief advocate for the C-4 on cotton, this deal left African cotton producers ‘out in the cold.’ While Brazil was compensated, the West African countries gained nothing from the interim agreement – an outcome that, to quote the IDEAS Center, ‘certainly does not contribute to the belief that the multilateral system is fair and inclusive.’

The final agreement was struck between the governments of Brazil and the US in 2014. In addition to agreeing to limited reforms of its cotton subsidies, the US government agreed to provide a lump-sum payment to Brazilian cotton farmers, as well as a lucrative side deal that enabled Brazil to make massive gains for its beef industry. The US paid Brazil’s cotton industry nearly $450 million over three years under the interim agreement and an additional $300 million to conclude the dispute in 2014 (Beattie 2014). Perhaps even more importantly, the Brazilian government also secured a side agreement in which the US agreed to remove restrictions that had prevented Brazil from exporting raw (fresh or frozen) beef to the US (Reuters 2016; Roybal 2014). These sanitary restrictions had been in place since 2003, ostensibly due to concerns about foot and mouth disease, blocking Brazil’s access to the world’s second largest beef market. The beef side deal was extremely valuable to Brazilian agribusiness, expected to boost its exports to the US by $900 million per year, plus help it to open other major markets like Japan and South Korea to its exports (Reuters 2016). In total, the Brazilian government thus obtained $750 million in compensation from the US for its cotton producers, plus a side agreement worth over $900 million per year for its beef industry.

As Alan Beattie (2014) put it, ‘extracting three-quarters of a billion dollars from the US with a single legal case,’ as well as nearly a billion dollars in additional annual market access gains, was ‘a remarkable achievement’ for the Brazilian government – but ‘the agreement leaves the West Africans stranded.’ While Brazil reaped major gains, the US got to keep its cotton subsidies largely intact, with the result that ‘the big losers’ from this resolution to the cotton case were the C-4: ‘American subsidies will continue to flow … and African farmers will continue to suffer’ (Beattie 2014). The Brazilian

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10Interview, Brasilia, May 2010.
11Interviews with Brazilian government officials, Brasilia, March 2018.
The Brazilian government has provided $19 million in aid to the C-4 and other African cotton producing countries. But that amount pales in comparison to the $750 million worth of payments that Brazil received from the US in the cotton case; and it also pales in comparison to the estimated $400 million in annual gains that the C-4 countries would reap from the removal of US cotton subsidies (Singh 2014). Ultimately the Brazil-US cotton deal did not substantially reduce US subsidies and did nothing to address the concerns of other developing country farmers. While the Brazilian government used the cotton case to present itself ‘as the defender of the interests of the poorer countries,’ for those advocating on behalf of LDCs, the outcome of the case made it clear that the Brazilian government was only defending its ‘narrow national interests’ (IDEAS Centre 2010).

For the Brazilian state, masking the pursuit of its commercial agribusiness interests in a veil of South-South solidarity and cooperation was useful, one of its negotiators stated, because it provide[d] credibility, and in trade negotiations to some extent you have to disguise the fact that you’re a greedy bastard. So you put lofty ideas in your presentation, you show a willingness to partner in coalitions and disguise that you’re going for the kill.13

The Brazilian government tied the US cotton dispute to the ‘lofty ideas’ of pursuing economic justice on behalf of the developing world and seeking to right longstanding imbalances in the trading system. But the way in which the cotton case was ultimately resolved calls into question the Brazilian government’s claim to be advancing the collective interests of the developing world as a whole. Indeed, buoyed by its success in the US cotton and EU sugar cases, the Brazilian state has more recently begun using the WTO dispute settlement system to challenge the agricultural trade policies of other developing countries, including China, India, Indonesia, South Africa, and Thailand.

**China: agricultural subsidies**

The emerging powers have been vocal critics of rich country agricultural subsidies, which served to unite developing country governments during the Doha Round. Reducing subsidies remains a pressing concern for much of the developing world, and following the Doha collapse, states made achieving a standalone WTO agreement on agricultural subsidies a priority for negotiations. However, the global landscape of agricultural subsidies has changed dramatically. The Chinese government has become the world’s largest subsidizer and a major barrier to establishing stricter global trade rules on agricultural subsidies.

In the past, the vast majority of agricultural subsidies were provided by advanced-industrialized states, like the US, EU, and Japan, while developing country governments generally lacked the resources to subsidize their agricultural producers. But that has been changing for some large emerging economies, such as China and India. As they have grown richer, these states have become major agricultural subsidizers. While agricultural support in developed countries has fallen steadily over the past two decades, China’s support in particular has risen dramatically. China surpassed the OECD average in 2013, with its support to producers reaching more than 20% of farm receipts in 2015 (Figure 1). China’s total support to agriculture, at 2.4% of GDP, is now four times higher than that of the US and EU.

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12WTO Data, November 2019, WT/CFMC/6/Rev.27.
13Interview, Geneva, May 2009.
than the OECD average (OECD 2017). The Chinese government provided an estimated $212 billion in support to its producers in 2016, significantly more than the EU ($100 billion), US ($33 billion), or any other country (OECD 2017).

While the government claims that its agricultural subsidies are intended to support China’s vast number of peasant farmers, the reality is not so straightforward. The goal of China’s subsidies is to reduce rural-urban inequality, foster rural development and boost rural incomes. However, China’s rural development strategy is centered on fostering agriculture ‘modernization’ by promoting the expansion and consolidation of agribusiness (Schneider 2017). The state is facilitating the transfer of land from peasants to agribusiness, in order to encourage a reorientation from peasant farming to large-scale agricultural production (Schneider 2017); over 37% of farmland had been transferred by 2019, and this trend is accelerating (Johnson 2019). As of 2014, 60% of crop production and 70% of livestock production was under the control of agribusiness companies (‘dragon head’ enterprises) (Godfrey 2014). There has thus been a dramatic expansion of agribusiness ownership and control in its agriculture sector, which is increasingly dominated by vertically-integrated dragon heads engaged in contract farming – involving not small peasant farmers but large farms (Schneider 2017). The state provides substantial subsidies directly to support the capital investment and operating expenses of dragon heads (Schneider 2017). But in addition, due to the design of China’s agricultural subsidies, their benefits disproportionately accrue to agribusiness. The Chinese government’s support to its agriculture sector is dominated by government purchases of crops at subsidized prices, direct payments based on production, and input subsidies – all of which are tied to production volumes, and since agribusiness is now responsible for the largest part of production, the bulk of China’s subsidies flow to agribusiness.

China has emerged as a major agro-power: it is now the world’s largest agricultural producer and consumer, and fourth largest exporter. Although the commodities it subsidizes are primarily sold in the domestic market rather than exported, due to the scale of its subsidies and because China is such a large import market, its policies have significant implications for other developing countries. China’s subsidies increase its domestic agricultural

Figure 1. Producer support estimate as % of gross farm receipts, 1995–2015.
production, displacing imports and depressing global prices, reducing farm incomes elsewhere (Rabobank 2016). The Chinese government has fiercely resisted efforts to discipline its agricultural subsidies at the WTO. Chinese officials maintain that, because it is a developing country, its subsidies are essentially ‘morally different,’ as a developed country negotiator put it, from those of the US or EU. But as one developing country negotiator stated, the reality is that ‘from the perspective of international markets or poor farmers in Africa, it doesn’t matter where [the subsidies are] coming from – China or US or another developed country – the impact is the same.’ As another developing country negotiator put it, ‘You have to appreciate the fact that you are so big and so powerful that your policies have a huge impact on everyone else everywhere in the world.’

The negotiations on agricultural subsidies have become blocked by a US-China standoff. The US government has indicated it is willing to accept disciplines on its agricultural subsidies, but only if China is willing to do the same. The Chinese government, however, has refused, insisting that, as a developing country, it should not be required to cut its subsidies. The Chinese government, negotiators report, is ‘unwilling to accept any caps or make any commitments at the WTO’ to restrict its agricultural subsidies. With the renewal of negotiations on agricultural subsidies, many states hoped for an outcome at the 2015 Nairobi Ministerial, but the US-China stalemate resulted in the issue being taken off the agenda for the Ministerial. According to the agriculture negotiations chair, there was ‘near universal’ consensus on the importance of reaching an agreement on subsidies at the 2017 Buenos Aires Ministerial, yet nothing was achieved (Bridges Weekly 2017). Despite the best efforts of many states, negotiators describe the prospects of an agreement on agricultural subsidies as ‘if not zero, then very close to zero’ and report that ‘there has been no movement and there are not signs that there will be movement any time soon.’

The post-Doha negotiations on cotton subsidies provide a further illustration of these new dynamics. In addition to being the subject of the WTO dispute between Brazil and the US discussed in the last section, cotton was also singled out as a priority area within the WTO agriculture negotiations because of its importance to the C-4 West African cotton producers and other developing and least-developed countries. The objective of these negotiations is to create new, stronger disciplines on cotton subsidies, in order to ensure a fair international market for poor cotton-producing countries, with reducing global cotton subsidies seen as ‘crucial for millions of farmers who live on the poverty threshold’ (IDEAS Centre 2013). Given their cost-competitiveness, a reduction in global cotton subsidies would lead to a significant shift in production to African countries and increased incomes for smallholders (Greenville 2017). Cotton has thus been seen as symbolic of the developing world’s efforts to reform WTO rules in order to address the underlying inequalities in the global trading system (Singh 2017, 135).

The world cotton market, however, now revolves around China (Quark 2013). As the location of over half the world’s textile production (USDA 2015), China is by far the most important market for cotton producers in Africa and around the world. China’s

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14Interview, Geneva, July 2017.
15Interview, Geneva, July 2016.
16Interview, Geneva, July 2016.
17Interviews, Geneva, July 2016 and 2017.
18Interviews, Geneva, July 2017.
cotton policies therefore have profound global consequences. These effects are felt most keenly in the countries of West Africa, which are collectively the world’s second largest cotton exporter (ICAC 2016a). Like the US, China is a relatively inefficient cotton producer, with production costs roughly four times those of some African countries, but state subsidies and other distortionary trade policies have made China the world’s second largest cotton producer (after India) (ICAC 2016a).

As with its broader support for agriculture, China’s cotton subsidies have expanded dramatically, with China becoming the world’s largest cotton subsidizer in 2009. The Chinese government now accounts for nearly three-quarters of the $7.2 billion in cotton subsidies provided worldwide (Figure 2). In China, state support constitutes more than 40% of gross farm receipts for cotton, compared to less than 20% in the US (Greenville 2017).

In addition to heavy subsidies, the Chinese state also supports domestic cotton production by controlling imports, imposing tariffs of up to 40% on cotton. Given the importance of the Chinese market and the high tariffs it imposes on cotton, if the Chinese government were to allow cotton from LDCs to enter duty free, it would provide a significant boost to African cotton producers. However, while the Chinese government has offered Duty-Free Quota-Free (DFQF) access to LDCs, it excluded many of their most important exports, including cotton (ICTSD 2013). When LDCs requested at the WTO that China expand DFQF access to cover cotton, the Chinese government refused. Instead, just the opposite, in 2014 the Chinese government began dramatically restricting cotton imports – to as little as 1/6th of their previous levels – in an effort to draw down the massive stocks that had accumulated due to its subsidy policies (ICAC 2016a, 2016b). This, in turn, caused global cotton prices to plummet, which has severely hit farm incomes in poor cotton-producing countries (Sneyd 2016).

With its extraordinary market power, cotton farmers around the world are at the mercy of Chinese government policy (Imboden 2014; Meyer and Terazono 2014). The Chinese

Figure 2. Global Cotton Subsidizers. Source: ICAC 2016b. Note: Subsidies provided by some countries are too small to be visible.
The government’s strategy of using heavy subsidization and import barriers to support its cotton farmers causes significant harm to farmers elsewhere. As Adam Sneyd (2016, 41) puts it, the Chinese government has ‘exported pain’ by transferring hardship to poorer and weaker developing countries. Although China’s per capita GDP ($8000) is indeed small compared to that of the US, it vastly exceeds that of the C-4 countries ($650–800).19 The Chinese state has considerable resources available to address poverty and rural development, as well as a broad array of alternative policy mechanisms it could use to achieve these objectives – such as providing direct income support payments to farmers decoupled from production – without the harmful spillover effects of its current policies.

However, China’s cotton subsidies are motivated by more than simply promoting rural development. More than 80% of China’s cotton production is located in Xinjiang, where large, government-owned or operated cotton farms dominate (Chase 2019; Cotton Connect 2015). Xinjiang is home to China’s Muslim Uighur minority, and most cotton there is grown by the Xinjiang Production and Construction Corps (XPCC, known as Bingtuan), a paramilitary agro-industrial conglomerate that was established to pacify and ‘Sinicize’ the region. Appropriating land and water from the local Uighur population, who are mostly peasant farmers, Bingtuan employs and resettles Han Chinese workers brought in from other parts of the country (Hornby 2015; Kriebitz and Max 2020). Bingtuan controls vast tracts of land and has been an important part of the Chinese government’s strategy for asserting its dominance over the territory and the Uighur population, over 1 million of whom have been imprisoned in mass internment camps. As a former Chinese official stated:

Cotton in China is extremely political. Most cotton is produced in Xinjiang, where there is lots of regional and political instability – like Tibet. And that is where China is devoting lots of resources to supporting producers. … So when others try to say you can’t support your cotton producers, no way.20

China’s cotton subsidies are thus not simply about raising the livelihoods of small farmers but also part of a process of internal colonization, land grabbing and dispossession.

While the US undoubtedly remains part of the cotton problem, as the volume of its subsidies and its market share have declined, the impact of its subsidies on global markets has been dwarfed by China. Today, global cotton prices are set far more by China’s trade policies than those of the US (IDEAS Centre 2013). As one developed country negotiator stated, ‘it’s no longer the US that’s most important. Now it’s China.’21 Consequently, according to the IDEAS Center: ‘any solution to the cotton issue will have to include China’ (Imboden 2014). As an advocate for developing countries on cotton summarized:

At this point, it’s no longer possible to just go after the US – you have to put China into the same basket because there is no question they have a major impact on global cotton prices and the exports of the C-4. Clearly both China and the US have to do something.22

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19 World Bank data.
20 Interview, Geneva, July 2016.
21 Interview, Geneva, July 2017.
22 Interview, Geneva, July 2017.
The Chinese government is now a significant part of the cotton problem, but it continues to insist that all blame for the cotton problem lies solely with the US and that as a developing country government it is on the same side as the African countries and LDCs in fighting the US. As with the broader negotiations on agricultural subsidies, the cotton negotiations have become paralyzed by a standoff between the US and China. According to a negotiator for an African LDC:

> China points at the US like it is guilty and the US in return points to China as guilty. It’s like ping pong. ‘You’re responsible.’ ‘No, not me, you’re responsible.’ But, in the end, both have the same impact on us [the C-4 and LDCs] and nothing is being done.23

As a developed country negotiator summarized: ‘the poor C-4 countries are just getting squeezed between the two giants. China has dug in its heels, the US has dug in its heels, and there’s been virtually no progress on cotton.’24 Along with the US, the Chinese government is now blocking new disciplines on cotton and other agricultural subsidies that are essential to the interests of other developing countries.

**India: food stockholding**

The Indian government has been heralded as a champion of the developing world for securing a WTO agreement to protect public food stockholding programs operated by developing country governments from WTO legal challenges, despite intense opposition from the US and other advanced-industrialized states. In fact, however, the agreement narrowly benefits only India and a handful of other emerging economies, not the developing world more broadly. What is more, India’s public stockholding program has harmful spillover effects for other developing countries and LDCs, undermining efforts to support the livelihoods of small farmers and improve food self-sufficiency in these countries. But the Indian government has blocked efforts to build safeguards into WTO rules on public stockholding to ensure that other developing countries are not harmed by its program or those of other major emerging economies. The Indian government has refused to accept any external rules or restrictions on the operation of its public stockholding programs – even when necessary to avoid harm to other developing countries and LDCs.

The Indian government has been the driver behind the WTO’s negotiations on public stockholding. The Indian government has long operated a system of public stockpiling and distribution for agricultural commodities, which expanded significantly with a new Food Security Act in 2013 that doubled the number of people eligible to receive government subsidized grain to approximately two-thirds of the population (India 2013b). India’s public stockholding program is intended to provide food security for consumers, subsidize farmers, regulate domestic supply and ensure price stability (ICTSD 2016).

Government purchases and stockholding are permitted under WTO rules, as are subsidies for consumers; a potential issue arises only if there is a subsidy provided to farmers as part of a stockholding program (Margulis 2018b). Under existing WTO rules, if government purchases to build stocks and reserves for food security take place at market prices, they are considered non- or minimally trade-distorting and therefore not subject to any limitation. But if the government makes such purchases from farmers at

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23 Interview, Geneva, July 2017.
24 Interview, Geneva, July 2016.
above-market prices, it may constitute a trade-distorting subsidy, and therefore be subject to WTO subsidy limits. For most developing countries, WTO rules stipulate that trade-distorting subsidies to farmers cannot exceed 10% of the total value of agricultural production. Since India’s food stockholding program involves the government subsidizing farmers by purchasing food at a guaranteed ‘minimum support price’ (i.e. a price floor), if the associated subsidies (the difference between the support price and the market price) breach the 10% limit, India would be in violation of its WTO commitments and potentially subject to a legal challenge. Importantly, the issue is not that the government is purchasing food from farmers, but that it is doing so at ‘administered prices’ (the minimum support price) that are above market prices. For India, the growing volume of subsidies provided through its public stockholding program placed it in danger of exceeding WTO subsidy limits.

In response, the Indian government launched a campaign pushing for WTO farm subsidy rules to be relaxed to allow developing countries greater scope to purchase commodities at administered prices as part of their public stockholding programs. Indian officials argued that such reforms were necessary to enable developing country governments to support low-income and resource-poor farmers and provide food aid to poor consumers (ICTSD 2016). Indian negotiators mobilized the G33 – a coalition of developing country governments with defensive concerns in agriculture, which is officially coordinated by Indonesia but informally led by India, and also backed by China – to advance the food stockholding issue and make it a central focus of the 2013 Bali Ministerial. Through the G33, Indian negotiators pushed to exempt public stockholding from WTO subsidy limits. In doing so, the Indian government claimed to be defending the world’s impoverished farmers and the rights of developing countries to food security. In the words of India’s Trade Minister at the Bali Ministerial (India 2013a):

For India food security is non-negotiable. Governments of all developing nations have a legitimate obligation and moral commitment towards food and livelihood security of hundreds of millions of their hungry and poor. … Need of public stockholding of food grains to ensure food security must be respected.

The US and other agricultural exporters, however, were fiercely opposed to what they saw as giving emerging economies a blank check to provide unlimited agricultural subsidies via public stockholding programs. The Indian government forced them to capitulate by threatening to veto the WTO’s new Trade Facilitation Agreement – a $1 trillion agreement to rationalize global customs procedures, the largest multilateral trade agreement since the establishment of the WTO – unless there was an agreement on public stockholding (Margulis 2018a, 2018b; Wilkinson, Hannah, and Scott 2014). The Indian government struck a bilateral deal with the US, its most powerful opponent, that became the Ministerial Decision on Public Food Stockholding for Food Security Purposes.

The Indian government secured the needed exemption, an interim due restraint mechanism, or ‘peace clause,’ in which states agreed to refrain from challenging such programs under the WTO’s dispute settlement system (Hopewell 2018). While officially an ‘interim’ arrangement, it will remain in place until states arrive at a subsequent agreement on a permanent solution – meaning that, in the absence of such an agreement, the ‘interim’ arrangement will become the de facto permanent solution. The Bali agreement guarantees that public food stockholding programs are immune from legal challenge under
WTO law. The problem, however, is that the deal only covers *existing* programs. The text of the agreement stipulates that it solely protects ‘public stockholding programs for food security purposes existing as of the date of this Decision’ (WTO 2013). It therefore covers India’s program, but not those of other developing countries who may want to create similar programs in future. The agreement only applies to India and a few other major emerging economies, such as Thailand and Indonesia, that already have existing food stockholding programs in place (Bekele 2014). The Indian government successfully secured protection for its own public food stockholding program, but it left the vast majority of developing countries with no such protections – and prevented from creating similar programs. This has led to the conclusion, as one developing country negotiator bluntly put it, that ‘India is really just in it for themselves.’

In addition, many have raised concerns about the effects of the Indian government’s public food stockholding program on other developing countries. The problem with public stockpiling is that the release of surplus stocks built up through such programs can lead to dumping of subsidized grains in foreign markets, harming third country producers (Bellmann et al. 2013). If subsidized grains are exported from stocks, this can have destabilizing effects in the markets of other developing countries and especially LDCs, who are most vulnerable to price fluctuations and import surges (Bekele 2014). Not only does agricultural dumping adversely affect poor farmers in importing countries, but it can also increase food insecurity in those countries.

India is far from a minor player in global agricultural markets: it has become a major exporter of food grains. The dramatic growth of India’s grain exports has been tied to its food stockholding programs (ICTSD 2016). The Indian government’s minimum support prices for wheat and rice more than doubled in the decade prior to the Bali Ministerial, leading to a significant increase in production and the accumulation of large stockpiles (Donnan and Kazmin 2014). When it determines it has a surplus, the Indian government turns to exports to reduce its stocks (ICTSD 2016). With wheat, for example, India’s minimum support price increased by 111% between 2005/06 and 2013/14 (DTB 2014). Rising support levels led to a 35% increase in wheat production, which reached record levels. This increased supply put downward pressure on world wheat prices, while Indian wheat exports surged from 300,000 tons to 6.5 million tons. Similarly, India became the world’s largest rice exporter in 2012, exporting 10 million tons of rice onto world markets between 2011 and 2015 (ICTSD 2016).

The Indian government’s public stockholding programs can have adverse implications for other developing countries, and especially LDCs, who lack the resources to operate their own food stockholding schemes. When subsidized grains released from its stocks are sold on international markets, India’s policies result in agricultural dumping (Villoria and Mghenyi 2017). This is particularly significant because India has overtaken the EU as the largest agricultural exporter to LDCs (Donnan and Kazmin 2014). Subsidized exports from India’s stocks harm smallholder farmers in other developing countries – particularly in South Asia and Africa – who are forced to compete with imports of subsidized Indian grain (Rahman and Khan 2019; SAWTEE 2013). As one NGO representative stated, ‘Whenever India releases stocks, prices in Bangladesh fall.’

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25 Interview, Geneva, July 2017.
26 Interview, Geneva, July 2017.
Minister complains that the country has seen ‘a surge in food imports from India at improbably low prices,’ destabilizing Rwanda’s domestic market and undermining its efforts to foster its own food security (Donnan and Kazmin 2014).

For many developing countries, the increase in hunger caused by the 2007–2008 Global Food Crisis underscored the dangers of relying on imports for food security (Margulis 2014; McMichael 2014). Since then, many developing country governments in Africa and South Asia have been seeking to rebuild their domestic agricultural systems – decimated by decades of neoliberal policies – and increase domestic food production in order to reduce import dependence and foster greater food self-sufficiency. But, in the words of the African Group, which consists of 43 African states, ‘African small farmers have been struggling to keep up with unfair competition with imported heavily subsidized agricultural products’ (WTO 2019). Many African rice-producing states, for example, are pursuing national rice development strategies to reduce their dependence on imported rice and raise the incomes of their farmers. However, these efforts have been undermined by a flood of cheap (subsidized) rice from India and other Asian rice producers (AfricaRice 2014; AgriXchange 2014). Small farmers in Sub-Saharan Africa are facing unfair competition from subsidized imports in their own local markets, impoverishing farmers and impeding national efforts to encourage greater domestic production and support rural livelihoods. States like Nigeria complain that even when they have tariff barriers in place to protect their domestic markets and farmers, these barriers are evaded by smuggling (AgriXchange 2014). The problem is thus not that the Indian government is seeking to support its farmers with subsidies or operating domestic food stockholding programs to promote food security, but that by dumping subsidized grains in foreign markets, it is harming other small farmers elsewhere in the developing world.

While the Indian government has sought to portray itself as acting on behalf of the world’s impoverished farmers and defending the food security of developing countries, many express skepticism. According to an advisor to the LDC Group:

The food stockholding issue has nothing to do with food security – it’s about the administered prices provided to farmers. India has good negotiators. They coupled the issue with food security – and who can be against food security? They sold it to LDCs as a food security issue to get their support. But LDCs don’t need room [in their WTO subsidy limits], they don’t have money to do it [subsidized purchases from farmers], and the Bali agreement only covers ones [food stockholding programs] that are already in place. It’s completely useless for LDCs. It’s only for India to defend its own policies.27

Moreover, as one developing country negotiator stated:

Is it hurting LDCs? Sure it is! They [India] can’t hold the stocks for long, especially not in warm climates, so they have to sell the stocks. If they sell on local markets, that would lower prices, when the whole point is to raise prices [for farmers]. So they export, selling it at whatever price they can get, and often dumping it at low prices. But then they’re undermining other countries and hurting their farmers.28

Other developing country governments have accordingly ‘voiced fears that the food security of their own producers could be adversely affected if food stocks are purchased at administered prices and then released onto world markets, pushing down global prices

27 Interview, official consultant to the LDC negotiating coalition, Geneva, July 2017.
28 Interview, Geneva, July 2017.
and hurting producers elsewhere’ (ICTSD 2016). In response, many have argued that WTO public stockholding rules should incorporate safeguards to avoid negative spillover effects for other countries (CUTS 2017; ICTSD 2016). To this end, the African Group and various other states have proposed amending WTO rules to prevent states from exporting subsidized agricultural products from their stocks (WTO 2019). The goal is to strike a balance that would enable states like India to continue to use public food stockholding programs to meet their domestic policy objectives, while minimizing the negative external impacts, particularly for poor and vulnerable farmers in other developing countries. But the Indian government has refused, indicating it will not accept any such safeguards and resisting all proposed measures to reduce the potentially harmful implications of public stockholding programs for the food security of other developing countries and LDCs (Fortnam 2017).

**Conclusion**

The governments of China, India and Brazil have all portrayed themselves as acting on behalf of the developing world at the WTO, seeking to make global agricultural trade rules fairer for developing countries. The emerging powers have been highly effective in deploying the discourse of South-South solidarity to strengthen their own bargaining position in a global economic governance institution historically dominated by the US and other advanced-industrialized states. As the three cases analyzed in this article – the cotton dispute, subsidies and public stockholding – have shown, while presenting themselves as champions of the developing world, the emerging powers have primarily been advancing their own interests, frequently at the expense of other developing countries. The Brazilian government used the landmark US cotton dispute to make significant gains for its agribusiness sector, but the C-4 and other developing country cotton producers, whose interests the Brazil government claimed to be representing, ultimately saw little or no benefit. The Chinese government has emerged as the world’s largest agricultural subsidizer and is now blocking efforts at the WTO to reform global agricultural subsidies, despite the pressing importance of such reforms for the rest of the developing world. The Indian government used its weight to secure an agreement that protects its public food stockholding program but left other developing countries out in the cold, and has subsequently resisted WTO reforms that would minimize the harmful spillover effects of public stockholding programs for other developing countries and LDCs.

To be clear, the Chinese, Indian and Brazilian governments are hardly unique in pursuing their own interests at the expense of weaker states. On the contrary, in doing so, the emerging powers are behaving much like the traditional powers. In the GATT/WTO, the US and EU have long been criticized for being self-interested, self-serving, and willing to run roughshod over the interests of developing countries. As one LDC advisor pithily put it, ‘All big guys are bad guys. Beware of any powerful country.’ The reason for this, he continued, is that: ‘They’ll always put their interests first. And you can’t blame them for that – it’s the business of countries to do that. … Every country is putting its own interests first.’

29 Interview, official consultant to a LDC coalition at the WTO, Geneva, July 2017.
Kelly and Grant’s encapsulation of the trade regime – ‘the strong do what they will and the weak do what they must’ – remains as true as ever: although the identity of some actors may have changed, the same logic of power politics that has long characterized the WTO persists. Despite the flourishing rhetoric of South-South solidarity and cooperation, in the multilateral trading system, outcomes continue to come down to the power and interests of the dominant states in the system. The vast majority of developing countries remain at the mercy of the major powers – whether traditional powers like the US and EU or new powers like China, India and Brazil. In this sense, from the perspective of most developing countries, the rise of new powers has not fundamentally altered the nature of power relations at the WTO, or served to empower the developing world more broadly.

For decades, a key axis of conflict in the trading system has been drawn between the Global North and the Global South. However, the old North-South framing of development issues in the trading system that arose out of the era of post-war decolonization and Third World nationalism is increasingly inadequate to capture the current dynamics of global trade politics. Contemporary conflict in the multilateral trading system cannot be so easily understood as North versus South. While the struggle to advance the interests of developing countries within the trading system remains pressing, the fault lines of conflict have grown considerably more complex. While emerging powers, like China, India and Brazil, have sought to frame global trade politics as a North-South struggle, in which they have claimed to be acting on the side of the developing world, that framing is increasingly problematic given the impact of their own policies on other developing countries.

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