

Emerging Powers and the World Trade Organization: Explaining Strategic Substitution

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One of the largest (and most-discussed) changes in the global political economy in the last twenty years has been the rise of the so-called emerging powers (EPs). Through rapid economic growth and integration into the international economic system, these states have increased the complexity of that system and, in particular, the governance of it. This paper will explore the relationship of two of these EPs, India and Brazil, with one of the major institutions of global economic governance, the World Trade Organization (WTO). Specifically, it will attempt to answer the following question. Why are emerging power (EP) states like Brazil and India, who have benefited so much from their affiliation with the WTO and its predecessor, the General Agreement on Tariffs and Trade (GATT), now changing their strategic approach vis-à-vis this institution?

In the next section, the theoretical framework of the paper will be presented. This will be followed by case studies of Brazil's and India's activities in the two functional realms of the WTO, namely, trade liberalization and dispute settlement. The final section will summarize the findings of the paper.

THEORETICAL FRAMEWORK

To answer the question posed above, I seek to establish a relationship between two independent variables – economic and political interests – and three dependent variables, the strategic choices of emerging powers to simply use, to reform or to substitute the WTO in any given situation. Simple use is defined here as using an institution for the purposes for which it was created; in this case, this would mean attempting to liberalize trade or settle trade disputes through the WTO. Reform is defined as an individual state's action or participation in collective efforts to fundamentally and permanently change some aspect of an institution; one example would be attempts to alter dispute settlement procedures within the WTO. Finally, substitution means using alternative mechanisms to satisfy the tasks one would otherwise satisfy via institutional participation; this means here settling trade disputes and/or liberalizing trade through non-WTO means.

To establish this relationship, I propose three hypotheses. The first suggests a correlation between the prominence of specific economic interests within the policymaking situation and the strategic choice made by the EP government to substitute, reform or use the WTO. Economic interests are defined as the benefits that accrue to various private actors as a result of state strategic decisions. Under the theoretical scope of Moravcsik's liberal theory of international politics (1997), this definition assumes the domestic interaction of these actors' interests will ultimately determine the state's policy position, which is subsequently projected to the rest of the world. For the purposes of this paper, three economic interests – liberalization, protectionism and, to a lesser extent, (regional) economic cooperation – are expected to appear in the empirical analysis. H1, then, reads as follows: ***When anti-status quo economic interests dominate in a policymaking situation, emerging power states should prefer to substitute, rather than use or reform, the WTO. When general economic interests dominate, emerging power states should prefer to use rather than substitute or reform the WTO.*** Anti-status quo interests are economic situations desired by societal or governmental groups which require a change in government policy to be fulfilled; an example would be allowing a trading partner increased market access. Status quo interests, on the other hand, reflect a satisfaction with the given government policies and neither require nor desire change; an example would be maintaining a given degree of protection for domestic industries. It should be noted that all three of the economic interests listed above can fall into either category. Finally, general economic interest is a roughly evenly divided mixture of status quo and anti-status quo economic interests.

The second hypothesis proposes a correlation between the prominence of political interests within a policymaking situation and the strategic choice of the EP state. Political interest is defined as the political benefits a government hopes to gain by pursuing a particular strategy. Although a number of things fall within this category, including, among others, power over outcomes and power over resources, two particular political interests, autonomy and influence, are relevant in this framework. Autonomy is defined as a state's ability to pursue its goals despite limitations imposed upon it through external constraints, such as participation in governance regimes and agreements. Influence, on the other hand, can be either direct or indirect. Direct influence represents the Dahl's

classic 1957 definition of power: “the ability of A to get B to do something B would not normally do” (Riker 1964, 342). Indirect influence is the ability to shape the system to reflect your goals and norms (Schirm 1994, 36-38) as well as the ability to shape what others want (Nye 1990, 181). Thus H2 reads as follows: ***When the political interest influence dominates in a policymaking situation, emerging power states should prefer reform strategies over substitution and simple use. When political interest autonomy dominates, emerging power states should prefer substitution over simple use and reform strategies.*** The logic behind this hypothesis is that, first, the (relatively) static nature of the WTO limits the degree of each member state’s influence within the organization and, second, that participating in the WTO limits the degree of autonomy a state can have from the institution itself. Thus simple use strategies are unable to help an EP attain either of these political interests and are consequently not likely to occur in politically dominated policymaking situations. It is more likely that EPs would favor either substitution strategies, which create opportunities to increase autonomy (by achieving institutional goals through non-institutional means), or reform strategies, which could help them gain more influence within the WTO (by changing rules to institutionalize their contributions within a given process).

The obvious question raised by H1 and H2, then, is under which conditions political interest, anti-status quo economic interest and/or general economic interest dominate a policymaking situation. To determine this, I propose a H3 which divides policymaking situations into three types:

- ***When policymaking questions focus on the short-term and economic interests are directly affected, anti-status quo economic interest should dominate political interest in its impact on state decision-making.***
- ***When policymaking questions focus on the long-term and economic interests are directly affected, general economic interest should dominate political interest in its impact on state decision-making.***
- ***When policymaking questions focus on the long-term time frame and impact economic interests only diffusely, political interest should dominate economic interest in its impact on state decision-making.***

The components of H3 are defined as follows. In this hypothesis, the independent variables are short- and long-term as well as the direct or diffuse impacts expected by industry groups. Short-term decisions involve strategies whose effects will be felt by domestic actors within five years or less, and long-term after more than five years.

Echoing Schirm (2008, 9), when economic interests are directly affected, meaning the state's decision results in adjustment costs for the actors, these actors are more motivated to organize and lobby for a strategic decision which will minimize these costs for them. Further, the short-term time frame means private actors will feel the effects of government decisions sooner rather than later, making any potential negative consequences seem even more threatening and motivating. Thus organized domestic interest groups force economic interest to the forefront of the policymaking arena. Likewise, when the government's decision could result in only minimal adjustment costs for private actors, that is, when economic interests are impacted only diffusely, states will tend to focus on political goals. The long-term time frame here links policymaking decisions under these conditions closely to questions of the role EPs will play both in global governance and inside their own region. Since the diffuse impact on economic interests is unlikely to catalyze significant lobbying activity from economic interest groups, this allows governments to focus on their political role in the world system. In such situations, then, states will seek to achieve their political goals in order to clarify this role both for their citizenry and for power-hungry state competitors.

These three hypotheses will be tested below via discourse analysis of, first, the events surrounding the formation of the India-ASEAN Free Trade Agreement (IAFTA) and Brazil's participation in the WTO mini-ministerial in Geneva 2008 (for trade liberalization); and, second, India's activities to reform the WTO's Dispute Settlement Understanding (DSU) and DSU case DS246 (for dispute settlement). The time frame of the analysis spans from the beginning of the Doha Round of multilateral trade negotiations in 2001 up to the present day. Governmental positions will be determined from statements and publications of ministers in the relevant ministries – the Ministry of External Affairs (MEA) and the Department of Commerce (DoC) for India and the Ministry of External Relations (Ministério das Relações Exteriores, MRE) for Brazil – in addition to media sources citing officials and trade negotiators. Industry positions will be determined from statements and publications issued by the industry associations representing the industries to be affected by the policymaking decision as well as media sources citing the elected representatives of these groups. Given the standard methodological criticism of discourse analysis– namely, that one can find a statement to

support any given position – these results will be further supported via a comprehensive review of the various data sources for the time period of each case study. Statements will be collected until the saturation point of the analytical corpus in each case study and for each group (industry or government) is reached.¹ In addition, for the future extension of this paper, interviews with relevant industry and governmental actors as well as expert interviews with scholars working in related fields are being undertaken. Please note that this paper is a piece of a much larger work in progress. When it is finished, the distribution of case studies (India-Brazil, and substitution-use-reform) will be more balanced. To this point, most of my empirical work has focused on India's activities.

FIELD 1: TRADE LIBERALIZATION

India-ASEAN Free Trade Agreement (Substitution)

An analysis of the proceedings surrounding the negotiation and implementation of the India-ASEAN Free Trade Agreement (IAFTA) provides support for both H1 and H3. The conditions set forth in H3 for the dominance of anti-status quo economic interest within the government's policymaking situation are fulfilled, as industry group statements indicate expectations of a direct impact from the IAFTA in the short-term. Likewise, anti-status quo economic interest appears to dominate political interests in official discourse, verifying the conditions set forth in H1 for the strategic choice of substitution.

Throughout the six years of negotiations of the IAFTA, tariff reductions on three agricultural products – pepper, coffee, and tea – were described in the media as “stumbling blocks” (India Clinches August 29, 2008), “contentious issues” (Arun May 6, 2008); and in need of government assisted “strengthening” to withstand implementation of the proposed FTA (FTA with ASEAN on Dec 17 November 10, 2008). These three industries, therefore, are one focus of industry activity for the IAFTA negotiations.² In addition, statements made by representatives of the three, apex Indian industry groupings, the Federation of Indian Chambers of Commerce and Industry (FICCI), the Associated Chambers of Commerce and Industry of India (Assocham) and the Confederation of

¹ The saturation point is the point at which the inclusion of any more texts or statements to an analytical corpus will not alter the conclusions drawn based upon the given corpus. For more information on this method, please see Ruth Wodak and Michal Krzyzanowski, eds. 2008. Qualitative Discourse Analysis in the Social Sciences.

² The specific Indian and Brazilian industry groups consulted for each industry are listed in Appendix 1.

Indian Industry (CII), will also be considered as they represent the interests of both industries which desired more liberalization or protectionism via the IAFTA, as well as those content with the status quo.

The statements from the pepper, tea and coffee industry associations below show a general desire for increased protectionism vis-à-vis the proposed IAFTA. The pepper and tea industries indirectly call for protectionism by emphasizing that at the existing level of imports from ASEAN countries, particularly Vietnam, these industries were already faring poorly. This, in turn, justifies the logical inference that with an increase in those imports, as would be expected through the lowering of tariff barriers via the IAFTA, these problems would intensify. It is therefore accurate to claim that a potential IAFTA was perceived by the tea and pepper industries as a direct and immediate threat to their existence. The coffee industry, on the other hand, conveys its fears about the proposed IAFTA more directly, requesting coffee be included in IAFTA's negative list and emphasizing the direct, negative effects – unemployment, intensified competition at home and abroad – of not being included. Fears amongst these industries that any additional threat could “kill” their ailing industries implies the immediacy of the threat perceived by these industries from the IAFTA. Thus the statements below make clear that these industries felt directly threatened in the short-term by the proposed IAFTA and consequently pushed for increased protectionism vis-à-vis ASEAN trading partners:

- India Pepper and Spice Trade Association (IPSTA) President Kishor Shamji: “The domestic market has been killed by imports” (Nair July 2, 2002).
- IPSTA President M.L. Parekh: “Since prices of pepper in India are higher, the food processing and manufacturing industries are importing pepper from cheaper markets like Indonesia, Brazil and Vietnam” (Pepper Imports May Rise on Rising Domestic Prices, Lower Output November 16, 2007).
- Indian Tea Association (ITA) President Chandrakant Dhanuka on the combination of factors, including rising costs, decreasing revenue, and increased international competition, affecting the Indian tea industry: “The Indian tea plantation industry is suffering terribly. So much so that the future of Indian tea has been put into question” (Basu November 20, 2003).
- Coffee Board Chairman G.V. Krishna Rao on the price difference between Vietnamese and Indian coffee: “The importance we give to exports is not for plugging dollar deficit, but job deficit” (India Wants Coffee on ASEAN FTA Negative List March 29, 2006).

Like the Indian coffee, tea and pepper industries, the apex industry bodies also promoted an anti-status quo interest within the context of IAFTA negotiations. Unlike

these industries, however, the apex bodies tended to favor increased liberalization and economic cooperation, not protectionism, and maintained that the IAFTA would affect Indian industry positively and directly in the short-term, not negatively:

- FICCI Secretary General Amit Mitra noted at the conclusion of the IAFTA negotiations: “The FTA in goods will be vital for expanding the space for economic engagement between our two economies. FICCI urges for an early start of negotiations in services and investment so that we could reap the full benefits of a comprehensive economic cooperation agreement” (Accord Reached on ASEAN FTA August 29, 2008).
- A CII study in 2004 noted “the agreement for a free trade area (FTA) between India and the regional group [ASEAN] holds great potential to raise the volume of trade” and “would result in opening up India's north-east for integration into the global economy” (India-ASEAN Trade May Reach \$30 B By 2007 March 22, 2004).

In sum, then, industry groups seem to have expected the IAFTA to have a direct effect on their interests in the short-term. Of the 56 statements reviewed for industry commentary, 49 of these indicated expectations of direct effects from the IAFTA, 12.3 times more than the 4 showing expectations of a diffuse impact. The long-term/short-term expectations were a little less clear. Though short-term expectations did appear more often in the statement (34 of the 56), expectations for a long-term impact nevertheless appear in 21 of the 56. These results, thus, confirm the predominance of both indicators of dominant anti-status quo economic interest in the policymaking situation, although the dominance of short-term over long-term is less clear than with direct over diffuse, with short-term indicators appearing only 1.6 times more often than long-term ones.

What, then, did the Indian government have to say? As the statements below indicate, industry desires for increased protectionism were certainly at the forefront of the government’s perspective throughout the negotiations. However, other anti-status quo economic interests, namely increased liberalization and increased regional economic cooperation, also appear prominently in government statements:

- Minister of Commerce Jairam Ramesh: “I do not see any national interest to put coffee from Vietnam on zero import duty list [sic]. It would be better to have coffee on the negative list when we finalize the FTA” (India March 29, 2006).
- Minister of Commerce Jairam Ramesh: “What we need now to do is to take proactive measures to ensure that the competitiveness of tea, coffee, and pepper economy is bolstered so as to meet the low-cost competition from plantation crop producers like Vietnam” (Srinivasan December 4, 2008).

- Prime Minister Atal Bihari Vajpayee in a speech at the ASEAN Business and Investment Summit (October 7, 2003): “It is India that seeks to partner ASEAN in this era of globalization. India’s trade and economic interaction with ASEAN countries has been steadily growing, but not fast enough.”
- Minister of External Affairs, Pranab Mukherjee: “India has concluded negotiations on a free trade agreement (FTA) with the ASEAN, which will ensure lowering of duties and free flow of trade in goods. The agreement will create a market of over 1.5 billion people in the region. We will now work for commencing discussions in the investment and services sector” (Mukherjee 2008).

This predominance of anti-status quo economic interest is also supported by the numbers. Of the 72 statements reviewed for government commentary, 65 of these called for a change to the economic status quo (39 liberalization, 29 economic cooperation, and 6 protection), while only 5 indicated preference for the given economic situation. Likewise, of these 72 statements, only 4 indicated the presence of influence or autonomy, suggesting the very limited role played by these political interests within the decision-making situation.³ In sum, then, the process of the IAFTA negotiations supports both H1, as evidenced by the prominence of anti-status quo economic interests in India’s statements regarding this substitution of the WTO, and H3, as indicated by the statements of Indian industry groups, which felt they would be directly impacted by potential liberalization of trade with ASEAN member states in the short-term.

WTO Mini-Ministerial Negotiations, Geneva, July 2008 (Simple Use)

Analysis of discourse surrounding Brazil’s participation in the WTO’s mini-ministerial meeting in Geneva in July 2008 provides support neither H1 nor H3, bringing into question the definition of general economic interest used to this point. Specifically, an analysis of statements from the affected industry group representatives indicates these groups felt they would be directly affected in the long-term by any deal concluded in Geneva, thus fulfilling the conditions for the dominance of general economic interest in the government’s policymaking situation set forth in H3. Official discourse, however, reveals that anti-status quo economic interests - specifically, anti-status quo liberalization - were at the forefront of government discourse leading up to, throughout and right after the meeting, with only a limited appearance being made by political interests (influence and autonomy) or status quo economic interests. Thus the conditions set forth in H1 for

³ The guidelines for the selection and coding of statements can be found in Appendix 2.

the strategic choice of simple use – the dominance of general economic interest in a policymaking situation – were not confirmed, but, rather, the conditions for the strategic choice of substitution. This discrepancy will be discussed in depth at the end of the case study.

Government sources as well as press coverage of the mini-ministerial suggested a number of industries within Brazil which seemed most likely to be affected by the potential Doha deal. These included the ethanol, sugar and sugarcane, poultry, automobile and automobile parts, electronics and agriculture industries. Thus the industry groups for these industries were consulted for commentary.⁴ As in the Indian case study above, to control for the inclusion of all types of industries, statements from three apex industry groups - the National Confederation of Industry (Confederação Nacional da Indústria, CNI), the Federation of Industries of Sao Paulo (Federação das Indústrias do Estado de São Paulo, FIESP) and the Brazilian Foreign Trade Association (Associação de Comércio Exterior do Brasil, AEB) - were also reviewed.

As one can see in the statements below, industry association statements overwhelmingly indicated that these groups expected any final Doha deal to affect them directly and in the long-term. Whereas statements from individual industry groups emphasize the increased market access they expected to result from the deal, the apex groups tended to emphasize the more diffuse impact said deal would have on industry via its impact on the Brazilian and/or global economies more generally. In both cases, however, the associations made little indication that a deal, whether positive or negative for their industry, would affect them in the short-term:

- President of the Brazilian Association of the Producers of Cotton, Haroldo Cunha: “From cotton’s perspective, it [the failure] is frustrating since we imagined we would achieve something effective in this round. It is a negative feeling and could lead to a reduction of Brazil’s market given the cotton of the US continues to receive many incentives” (Brazilian Entrepreneurs Say They Have Options Beyond the Agreement July 30, 2008).
- Director of the FIESP, Mário Marconini, on the proposed Doha deal: “A cost in lowering tariffs always exists, but the controlled opening is good for the country because it fortifies the economy” (Landim July 30, 2008).

⁴ Translations of statements examined which were originally written in Portuguese are the result of a combination of author’s and automatic translation resulting from numerous online translation and dictionary programs and are considered accurate representations of the original language. Original statements can be provided upon request.

- AEB vice-president, Jose Augusto de Castro: “The WTO accord was important for Brazil because it would have opened markets in all the countries and would have put Brazil on equal footing” with nations also involved in bilateral deals (Brazilian Farm Sector, Exporters Bemoan Failed Trade Talks July 29, 2008).
- CNA spokesman, Matheus Zanella: “The Brazilian agricultural sector has lost a lot. The initial impact is 5 billion dollars that Brazil won’t be exporting, and there will be other impacts that we can’t measure, like trade distortions that rich countries can continue to use indiscriminately” (Brazilian Farm July 29, 2008).
The numbers reaffirm the findings from the discourse analysis. Of the 83

statements reviewed for industry commentary, 69 indicated expectations of a direct impact from a deal, whereas only 12 indicated expectations of a diffuse impact. Likewise, only 12 of these suggested expectations of an impact within the first five years, that is, in the short-term, while 70 showed expectations of a long-term impact. Thus, as these analyses make clear, industry group discourse surrounding the mini-ministerial fulfills the criteria set forth in H3 - expectations of a direct impact from any final deal within the long-term time frame - for the dominance of general economic interest in the government’s policymaking situation.

What, then, of government discourse surrounding the meeting in Geneva? Despite predictions by the industry statements above under the scope of H3, general economic interest, that is, a roughly equally divided mix of status quo and anti-status quo economic interests, does not appear to dominate political interests in the policymaking situation, thus failing to fulfill the conditions established in H1 for the strategic choice of simple use. Although the economic interests of anti-status quo liberalization and status quo protectionism are both present in official discourse, anti-status quo interests clearly dominate the mix. As is evident in the statements below, statements primarily reflected desires of increasing liberalization via reaching a deal in Geneva, though certain statements also indicate the infant industry argument for the protection of sectors worried about such a fast, comprehensive opening of markets:

- G20 Statement on the Doha Round: “The G20 has consistently reiterated the mandate for substantial reduction in domestic support levels[...] Only substantial and effective cuts will deliver on the [Doha Round] Mandate [...] for substantial improvements in market access” (MRE June 20, 2008).
- Developing Country Groups’ Joint Statement: “They stressed the importance of less than full reciprocity in reduction commitments, flexibilities, and other concerns in NAMA for industrial development in developing countries” (MRE July 20, 2008).

- Foreign Minister Celso Amorim, on the dispute between the US and India which led to the collapse of the meeting: “At one point, I said, ‘Since there is no specific product, anything the US will do to make right with India [and finish the Round], Brazil will accept’” (MRE August 6, 2008).

As mentioned, the political interests of autonomy and influence also appear in government statements, though to a lesser degree than that shown by the economic interests of protectionism and, especially, liberalization:

- Brazilian President Luiz Inácio Lula da Silva on the US and EU negotiators in Geneva: “They’re used to a time when they didn’t have to negotiate. They imposed what they wanted and the others were forced to accept. Today, they have to take into account the existence of emerging countries” (No WTO Deal Unless US, EU Make More Concessions: Lula July 23, 2008).
 - Amorim: “The WTO was a priority, because it is only here that we could address subsidies. But now we are going to have to concentrate on things that bring results. I cannot be left hanging for another four years” (Chade July 31, 2008).
- The numbers confirm the results of the discourse analysis regarding the

dominance of (anti-status quo) economic interest over political interest in official discourse prior to, throughout, and shortly after the mini-ministerial in Geneva. Whereas 74 of the total 92 statements examined for government discourse indicate the presence of economic interest (either liberalization or protectionism), only 22 of 92 indicate the presence of political interests. As noted in the case study introduction, the numbers also verify the dominance of both anti-status quo economic interests over status quo ones. Of the 92 total statements, 65 indicated a desire to increase liberalization via a Doha deal, while only 7 indicated satisfaction with the economic status quo situation. Thus an analysis of official discourse shows the conditions predicted by H1 for the strategic choice of simple use of the WTO were not fulfilled in this case. Rather, the data suggests, according to the definitions used thus far in the case studies, that Brazil would have chosen to substitute the WTO in this case.

What can explain this discrepancy? As will also be seen in the case of Indian use of the WTO’s Dispute Settlement Body below, the key here may lie with characteristics of the specific situation in which the strategic action occurs. An EP government expending the resources necessary to participate in the high-energy, high-cost WTO negotiations in Geneva would be expected to have a clearly defined position and goals vis-à-vis the negotiations. Otherwise, they would not spend the resources to go, either to support or to block – given the WTO’s consensus decision-making procedures – the

potential agreement. Thus it can be argued that, in Brazil's case, Brazilian industry groups favoring liberalization, especially the ethanol and agricultural industries, won the domestic battle of interest groups to influence government policy, explaining the absence of Brazilian official statements defending the status quo economic situation.

This assertion can be tested by looking at apex body statements and those made by associations representing a single industry separately. Given the diversity of the industries represented by apex bodies and their accompanying diverse interests vis-à-vis a potential deal, comparing the number of status quo and anti-status quo statements in apex body discourse indicates the rough balance of members' abilities to impress their interests on a group. Further, since the comprehensive nature of the apex bodies is likely to encourage more influence in government circles than would be expected from a single industry association representing a single industry (given the former's *much* larger voting power in a democratic state), one can extrapolate that whichever group dominates opinion within the apex groups is also likely to have more success at the government level. Of the 31 apex body statements examined, 24 of these represented anti-status quo economic interests compared to only 5 showing support for the status quo. Further, 23 of the 24 anti-status quo statements indicated a desire to further liberalize via conclusion of the Doha Round. The data from single industry statements, which show a ratio of 43 to 9 in favor of altering the status quo via a Doha deal, show similar results. Thus it is safe to argue that industry groups in Brazil *in general* overwhelmingly favored anti-status quo economic interests as opposed to status quo ones.

This allows a re-definition of general economic interest in this situation, taking this domestic situation into account. General economic interest here is simply the dominant economic position taken by the Brazilian government: anti-status quo liberalization. Using this definition, the data then shows that general economic interest, re-defined as anti-status quo liberalization, even omitting the few status quo economic interest statements discovered, dominates political interest 68 economic to only 22 political statements. This confirms the aggregate interest data mentioned above, which shows that total statements indicating economic interest(s) dominate political interest

ones 74 to 22. Hence under the new definition, which incorporates the peculiarities of Brazil's domestic situation, both H1 and H3 are proven correct.⁵

In sum, then, the case study provides neither support for H3 nor for H1 under the definitions used to this point. Industry commentary shows most groups felt a deal resulting from the negotiations in Geneva would affect them directly and in the short-term. This, in turn, fulfilled the criteria set forth in H3 for the dominance of general economic interest in the government's decision-making situation. Official discourse, however, showed that anti-status quo economic interest dominated political interest in the policymaking situation, predicting not the Brazilian decision to use the WTO but, rather, one to substitute that institution. Situational limitations, specifically the overwhelming dominance of domestic groups in Brazil favoring a Doha deal, could explain the failure of H1 in this case to predict Brazilian policymaking behavior.

FIELD 2: DISPUTE SETTLEMENT

WTO DSU Negotiations since 2001 (Reform)

An analysis of Indian involvement in reform negotiations of the WTO's Dispute Settlement Understanding (DSU) since 2001 confirms both H2 and H3. Industry group commentary is almost completely absent, indicating that groups felt they would only be affected diffusely by the outcome(s) of the negotiations and that this effect would occur in the long-term time frame. Thus the conditions for the dominance of political interest in the policymaking situation, as predicted by H3, are present. Likewise, government statements overwhelmingly indicate the dominance of one political interest, influence, within the policymaking situation in this case of strategic reform. This verifies the relationship predicted in H2 between the independent variable, political interest influence, and the dependent variable, the strategic choice of reform.

The negotiations to improve and clarify the DSU have been underway since 1997, and India has been an active participant throughout, providing proposals in a number of frameworks including as a representative of developing countries (for example, in the group in TN/DS/W/18) as well as in mixed groups of developed and developing countries

⁵ Unfortunately (or fortunately?), a similar analysis of Indian participation at the mini-ministerial in Geneva in 2008 does prove both H1 and H3 without any re-definitions. Repeating this "extra" analysis in that case and comparing the results to this case study will hopefully help clear up this definition "problem" in the near future.

(for example, the Mexico Group of the US, the EU, Australia, China and India) (Informal WTO Group Resumes Talks to Improve Dispute Settlement November 24, 2006). Press coverage and official documents related to this process identify seven proposed reforms about which the Indian delegation to the WTO has asserted strong opinions. These issues as well as the Indian delegation’s stance towards them are indicated in the table below.

Ref. #	Proposed Reform	Indian Stance: Reform?
1.	Specification of conditions under which panels and the Appellate Body (AB) would accept amicus curiae briefs	No
2.	Clarification of third party rights	Yes
3.	Distribution of materials provided by the Secretariat to the panels also to all parties to a dispute	Yes
4.	Allowing the media into AB or panel proceedings to increase transparency	No
5.	Changing term length and conditions of AB judges	Yes
6.	Institutionalizing support for developing countries within the DSU	Yes
7.	Allowing partial adoption of panel/AB reports	Yes

Table 1 Major DSU Reform Proposals Touching on India

Given the comparatively more abstract nature of WTO DSU reform efforts as they touch upon domestic interest groups, the industry groups reviewed to test H3 in this case study were selected via a survey of the industries affected by all complaints filed within the DSU involving India as either complainant or respondent since January 2001. These industries are steel, textiles, drugs and pharmaceuticals, shrimp, iron, agriculture, chemicals, rubber, batteries, wine and spirits, metals, movies, aircraft, and automobile and automobile parts. Given that each of these industries was affected either negatively or positively by the resolution of the complaint filed within the DSU which involved them, one could expect that they would show corresponding support or lack thereof for reform proposals which could impact similar cases in which they may be involved in the future. For example, one would expect the Indian shrimp industry, which benefited from both a panel’s and the Appellate Body’s (AB) rulings against the US in DS345, to support the third party rights reform above, since this reform should make the DSU perform more efficiently by minimizing contestation points, at least regarding the role of third parties in a dispute. Thus these industries should provide a broad population which could be both positively and negatively affected by proposed reforms. In addition, once again, the apex

industry bodies of CII, FICCI and Assocham have been included as representative of general industry interests.

So what do industry statements regarding the process of DSU re-negotiation within the WTO? They say almost nothing. A review of official industry statements and press releases as well of press coverage discovered not a single comment from the individual industries listed above related directly or indirectly to the proposed DSU reforms. This could indicate a lack of concern, resulting from expectations that DSU reforms would only affect their industries diffusely and in the long-term; that the industry groups were uninformed about the reforms underway; or perhaps that these industries were relying on the apex bodies to represent them in this highly technical subject area. A survey of the statements and press coverage of FICCI, the CII and Assocham, however, turns up similarly empty. Only one statement was found, and even this relates only indirectly to the topic of DSU reform. A joint communiqué issued by the Chambers of Commerce of the G20 group of countries, of which FICCI is a member, discussed what states should do to combat the current global economic crisis:

For long-term and lasting solutions, attention should now turn to international organizations [...] The WTO must continue to play its role as global governor of the multilateral trading system (Chambers Want IMF, WTO to Have More Powers to Tackle Crisis March 30, 2009).

This statement suggests industry groups would not support any reform of the WTO which weakened its ability to govern global trade. Thus, given that the reforms listed above were proposed to clarify and strengthen the WTO DSU, and thereby increase its ability to stabilize the global trading system, one could expect widespread industry support for proposed reforms to the DSU based upon this single statement. Regardless of the accuracy of this expectation, however, the statement still gives no specific indication of industry group expectations regarding the effects of implementing any of the proposed DSU reforms listed above. One learns only that industry groups expect a strong WTO to ensure global economic stability and growth - diffuse global goods - in the long-term.

Thus a review of statements made by representatives of the three apex industry groups as well as the groups representing the fifteen industries listed previously affirms the conditions set forth in H3 for the dominance of political interest within an EP policymaking situation. The silence of the individual industry groups vis-à-vis DSU reform suggests they feared or celebrated no direct impact from DSU reform

implementation in the short-term. The logical inference, then, is that these groups expected only a diffuse impact on their personal interests in the long-term. The single statement found issuing from the apex groups reaffirms this inference: it aligns a strong WTO with a generally positive, global, economic situation – thus indicating the diffuse impact the WTO’s governance of trade, of which dispute settlement is a part, was expected to have on industries – and references the “long-term” as the time frame for such a situation to be developed and maintained. Thus industry statements (or the lack thereof) suggest that industry groups associated DSU reform only with a diffuse impact on their economic interests in the long-term, fulfilling the conditions for the dominance of political interests within the government’s policymaking situation.

Was this, in fact, the case? Yes: official discourse indicates that the political interest of influence dominated the Indian government’s policymaking situation with regard to reform of the WTO DSU.⁶ As the sampling of statements below indicates, influence primarily appears in these statements in the form of calls for increased and/or more effective participation by India and other states in the DSU process; calls for maintenance of a current level of influence; or calls for clarification (and often an increase) of the instances in which member states can influence panel and AB decisions. The link between participation and influence is clear: one can only influence something once one is able to capably participate in it. Further, it is interesting to note that government officials were defending India’s (and all other member states’) influence on DSU proceedings both from *institutional encroachment* (via an empowering of the DSU’s panels and/or AB in matters external to the specific cases under their purview) as well as from the *non-state encroachment* (in the form of non-governmental actors using amicus curiae briefs to affect the outcome of a specific proceeding):

- Amendment proposed by a group of countries, including India, to ¶10 of Appendix 3 regarding distribution of materials: “Any document, notes, information, etc., other than case summaries, submitted by the Secretariat to the panel shall be provided promptly to the parties to the dispute, whose views_on

⁶ In the case of WTO Reform, official discourse comprises both statements made by the Indian negotiating team and/or representatives at the Special Session meetings of the Dispute Settlement Body in Geneva as well as those by officials of the Department of Commerce, who are responsible for coordinating India’s strategic behavior at the WTO. It should be noted that press coverage in particular of these reforms was sparse, meaning a significantly smaller total number of statements reviewed than is evident, for example, in the trade liberalization case studies above.

such documents, notes, information, etc., shall be taken into consideration” (TN/DS/W/47 2003, 2).

- Thanking the Chairman at the end of the Special Session in May 2005, the Indian representative “shared his [the Chairman’s] general approach, particularly the emphasis on the Member-driven nature of the process and bottoms-up [sic] approach under which Members were required to take the lead in the negotiations” (TN/DS/M/23 2005, 4).
- The Indian representative at the Special Session meeting in April 2004: “On the issue of amicus curiae briefs [...] it was imperative that the relevant provisions of the DSU be strictly interpreted and clarified to reflect the intention of Members. This was not a matter which should be left to panels or the Appellate Body to decide” (TN/DS/M/14, 11).

Given that all proposed reforms require India to further participate in the DSU to reap any benefits from them, it is not surprising that the political interest of autonomy does not appear anywhere in official discourse. Likewise, given the evidence that the economic interests of domestic groups, as indicated by the industry statements surveyed above, were expected to be only diffusely affected by the implementation of any of the proposed DSU reforms and, then, only within the long-term framework, it is also unsurprising that economic interests make only a very limited appearance in official discourse. Such comments appeared in only 9 of the 58 official statements reviewed and, even then, were provided only as further support for influence-oriented arguments against the institutionalization of amicus curiae briefs within the DSU. For example, during a meeting in September 2002, the Indian negotiator stated,

“Governmental positions in disputes were arrived at after balancing the interests of all domestic stakeholders so that the national position represented the general interest as against amicus submissions, which were likely to represent narrowly defined interests [...] Consideration of amicus briefs would undermine the authority and ability of governments to effectively participate in the dispute settlement process” (TN/DS/M/3, 20-21).

The numbers affirm the dominance of influence over both economic interests as well as the other political influence of autonomy within Indian official discourse surrounding the reform process. Of the 58 official documents reviewed, 42 indicated the presence of influence as a motivating factor within Indian policymaking. Autonomy, on the other hand, appeared in 10 and mostly in negative form, that is, as anti-autonomy. Such statements suggest India’s strong commitment to the multilateral trading system regulated by the WTO and could also perhaps be termed status quo autonomy. For example, a joint statement made by India and seven other developing countries in 2002 states: “We believe that these [reform] proposals will contribute to strengthening the

dispute settlement system which is a central element in providing security and predictability to the multilateral trading system” (TN/DS/W/18). This comes then, to an overwhelming dominance of political interest over economic interest in this case, 52 to 9, or roughly 5.8 times as often, as well as of influence over autonomy, 42 to 10, or 4.2 times as often. Thus it can be safely asserted based on the evidence that in this case of reform, as asserted by H2, political interest, specifically influence, dominated the policymaking situation.

In sum, then, the analysis verifies the relationships proposed in both H2 and H3. As expected by H3, the relative quiet of industry groups regarding their government’s participation in DSU reform negotiations suggests that they expected any outcome of these negotiations to impact their interests only diffusely and in the long-term. Consequently the evidence verified the conditions for dominance of political interest in the government’s policymaking situation. Further, an analysis of official discourse showed that, despite, a minimal presence of economic interest, the political interest of influence did, in fact, dominate Indian official discourse. Thus the empirical evidence also verified the conditions for the strategic choice of reform predicted by H2.

EC-Tariff Preferences (DS246) (Simple Use)

An examination of the dispute arising between India and the European Communities (EC) in March 2002 regarding the EC’s modifications to its Generalized System of Preferences (GSP) concessions verifies neither H3 nor H1. Specifically, statements and press coverage related to the textile and clothing industries affected by the dispute show these industries felt they would be directly and negatively affected by the EC’s new GSP system in the long-term. Thus the conditions for the dominance of general economic interest within the policymaking situation are fulfilled. A review of official discourse, however, clearly evidences that, as in the Brazilian WTO case above, anti-status quo economic interest - not general economic interest - dominates as the major theme within the policymaking situation, thus contradicting the prediction made by H3. Further, as this dispute was resolved within the WTO DSB and is thus a case of simple use, the predictions made by H1 for a situation in which anti-status quo economic interest dominates are also unfulfilled. These discrepancies between the expected and actual results of the empirical investigation will be explored below.

India requested consultations with the EC under the scope of the WTO's DSB in March 2002 regarding "the conditions under which the EC accords tariff preferences to the developing countries under its current scheme of generalized tariff preferences (the GSP scheme)" (G/L/521, 1). India alleged the "conditions under which the EC accords tariff preferences under the special arrangements cannot be reconciled with [the] two requirements" set forth in the WTO agreements (G/L/521, 2) and should thus be withdrawn. India's specific complaint dealt with concessions made to Pakistan – a trade competitor - under the GSP's Drug Arrangements, which allowed concessions to states chosen by the EC in order to support these states' efforts in combating drug trafficking and production. Following the failure of bilateral consultations, a panel was established in January 2003 which subsequently issued a report in India's favor in December 2003. The EC appealed the decision but the Appellate Body (AB) report, issued in April 2004, largely upheld India's allegations and requested the EC withdraw the measures in question. Three years and three months after India's request for consultations, the EC finally withdrew the measures (Dhar and Majumdar 2006, 23).

As indicated above, the Indian industrial sector primarily affected by the EC's 2002 GSP scheme was the textile and apparel sector. A memo to the Indian government issued in July 2002 by the Cotton Textiles Export Promotion Council (TEXPROCIL) showed that, in 2001-2002, with the introduction of the new GSP scheme, Pakistan's clothing exports to the EU increased by roughly 20% in value, while India's increased by less than 2% in value and fell 6% in quantity (Dhar and Majumdar 2006, 5). Thus statements made by textile and clothing industry groups will be the focus of analysis here, with the expectation that such statements will largely support repeal or rewriting of the EC's 2001 GSP scheme. In addition, the apex groups – CII, FICCI, and Assocham – will be included to ensure comprehensive coverage of industry opinions on the case, including any groups which may have seen an advantage in the EC's policy.

As can be seen in the selection of statements below, the EU's actions were largely seen as directly and negatively impacting the textile and clothing industries. Of the 28 statements reviewed for industry commentary,⁷ 24 of them indicated expectations of a

⁷ Given the limited impact of the legal case that is the topic of this case study, the number of industries affected as well as the number of industry groups whose commentary could be analyzed were dramatically

direct impact whereas only 4 could be coded as diffuse. Statements indicating a long- or a short-term impact, on the other hand, were more evenly distributed, though long-term is still clearly greater at 19 to 9, or 2.1 times more often than short-term. As is evident below, the long-term statements mostly make no mention of a time frame and show little fear of any kind of immediate or debilitating impact from the EC's GSP, hence their interpretation as long-term. No statements from the apex industry groups discussing the case were found. This reinforces expectations that the specific nature of the legal case would result also in more limited degree of industry interest and, thus, more limited mobilization in favor or against proposed government decisions:

- Statement by TEXPROCIL Chairman, T. Kannan: "The recent measures by the EU [...] will make Indian exports uncompetitive [...] Unless these discriminatory measures are countered, India will lose its existing market share and will be priced out of the markets" (Plea to Counter Forces Limiting Textile Exports March 23, 2002).
- D.K. Nair, Secretary General of the Indian Cotton Mills Federation, on the impact of the EU and US's GSP systems on the garment industry: "Local exporters felt that India could've lose [sic] around to [sic] Rs 10,000 crore⁸ worth of garment exports to both the EU and the US" (Pak's GSP Loss Could be Gain for Indian Leather, Textiles October 14, 2002).
- Nair again, this time on the potential benefits for India, should the EU remove Pakistan from the Drug Arrangements of its GSP: "The only advantage for India is that the competitiveness of its textile products in the EU will improve" (Brussels' "Gift" to Pak Textile Sector June 4, 2003).

As is clear in the statements above, the textile industry's expectations regarding the result of the EU's GSP scheme on their fortunes were overwhelmingly negative – for example, a decrease of roughly \$2.07 billion⁹ in garment exports when combined with the expected losses from the US GSP system (Nair quote 2002, above) – and created a direct connection between the EU's policy decision and the changed impact of these policies on the Indian textile and garment industry's interests. Likewise, the lack of a timeframe present in the commentary indicates industry fears fell within a long-term, or at least not an immediate, time frame. Thus, a review of industry statements surrounding the Indian

smaller than was the case in the trade liberalization case studies earlier. Although the numbers are less impressive, they remain nevertheless comprehensive: as in every other case study, all available documents, statements, press releases, etc. related to this case which could be found were analyzed until the saturation point was reached.

⁸ A crore is a numbering unit in India equal to ten million (10,000,000).

⁹ Conversions made using Rupee-Dollar exchange rate from October 14, 2002. Historical rate tables accessed August 3, 2009 at <http://www.xe.com/ict/>. Calculations are author's own.

government's involvement in DS246 shows the conditions provided in H3 for the dominance of general economic interest – expectations of a direct impact in the long-term – were fulfilled in this case.

So what of official discourse? Does general economic – that is, a mixture of anti-status quo and status quo – interest predominate? Actually, no, it does not. A review of documents from the DoC, the MEA as well as the official Indian representatives to the WTO all indicate anti-status quo economic interest – primarily calls for more trade liberalization for India via the elimination of tariff preferences granted to others via the EC's GSP scheme – dominate within the Indian government's policymaking situation:

- Additional Secretary of Commerce, S.N. Menon: “In case these consultations [with the EU] fail, we will have no other alternative than to take the case before the dispute settlement body of the WTO [...] it is apprehended that India would stand to lose trade substantially in the clothing sector where the applicable duty for our items is around 10%” (India to Approach WTO If Talks with EU on GSP Next Month Fail June 6, 2002).
- India's request for consultations within the WTO DSB: “India considers that the tariff preferences accorded under these special arrangements create undue difficulties for India's exports to the EC, including for those under the general arrangements of the EC's GSP scheme, and nullify or impair the benefits accruing to India under the most-favored nation provisions” (G/L/521, 1).
- Commerce Secretary, Kamal Nath: “India suffered in the last two to three years due to arbitrary administration of the GSP scheme, wherein zero duty concession on 2500 tariff lines was extended to India's competitors” (DoC January 14, 2005).

These statements make clear both the important role played by the economic interest of liberalization as well as the anti-status quo nature of this interest in the Indian policymaking situation throughout the dispute process.

As for political interest, both influence and autonomy make a single appearance in the 27 statements reviewed for government commentary. For example, a DoC press release from 2003 (December 2, 2003) states

India invoked dispute settlement proceedings of the WTO in this case with extreme reluctance after having exhausted all available avenues for a negotiated settlement with the EC. The matter was taken up repeatedly with the EC at various levels including the ministerial level.

As this statement makes clear, a desire to settle the dispute external to the WTO's DSU was clearly present amongst Indian policymakers within this dispute situation. A look at the proceedings in the case, however, casts some doubt on the importance of this autonomy factor inside the policymaking situation. Given that the EC's new GSP system

was implemented at the end of October 2001, and became effective only as of January 2002, this leaves a maximum window of only five months, and a more likely one of only three months, within which India could have “exhausted all available avenues for a negotiated settlement” before filing for consultations in the DSU in March 2002. Thus, although a wish for autonomy from the WTO DSB was certainly present, it seems unlikely that it played too large of a role.

Finally, the tally numbers also confirm the dominance of anti-status quo economic interest over political interest in this case. Of the 27 statements indicating government commentary, 21 of these indicated a desire for a change of policy while only 2 reflected satisfaction with the status quo. Likewise, of the 27 statements, 23 indicated an economic interest (all liberalization) whereas only 2 indicated the presence of political interest within the policymaking situation. Thus it can be safely argued that anti-status quo economic interest was the dominant force within the Indian policymaking situation for the period reviewed.

Unfortunately, not anti-status quo economic interest but general economic interest – both anti-status quo *and* status quo – was the interest predicted by H3 to dominate official discourse which, in turn, would have followed H1 and predicted a case of EP simple use here. Instead, neither H3 (which would have predicted dominance of general economic interest) nor H1 (which would have predicted substitution given the proven dominance of anti-status quo economic interest) corresponds to the evidence discovered in discourse analysis of the DS246 proceedings on the Indian side. What can explain these apparent failures? As in the Brazilian case, the explanation probably lies in situational factors, namely the definition of “general economic interest” in this case (and, for that matter, in the case of any trade dispute raised by any EP). Given that India decided to initiate this dispute with the EC, it must have been dissatisfied with the given economic situation, defined here as the EC’s new GSP scheme and its impact on Indian exporters. Hence it logically follows that India here would want a change in policy, that is, a change away from the status quo, in order to make the situation better suit its interests. Further, given the limited impact of the EC’s policy on Indian industry

groups,¹⁰ and the near impossibility for these industry groups to gain from the EC's new policy, it is also rational to think that there would be little industry group activism in support of the EC's new GSP arrangements. Put differently, industry groups were unlikely to align against the Indian government's case in the WTO DSB and in favor of the status quo economic situation. Finally, having spent the time, resources and political capital necessary to pursue this dispute with the EC in the WTO, it is unlikely that the Indian government would then intentionally harm their own case by vocally supporting the very EC policies they had alleged to be illegal in the status quo economic situation. Thus, in this case, as in the complainant's side of every case, general economic interest comprises *only* anti-status quo interests.

If this new definition is incorporated into the case study, the picture appears more reassuring. H3's prediction regarding the dominance of general economic interest would be verified by the evidence presented in both industry and governmental statements. Further, the relationship prescribed by H1 – that general economic interest would lead to simple use rather than substitution or reform – also finds support in the empirical evidence. It will be interesting to see whether this finding regarding general v. anti-status quo economic interest holds in other case studies related to dispute settlement cases pursued in the WTO's DSB.¹¹

In sum, then, discourse analysis of industry and governmental statements related to India's dispute with the EC regarding modifications to the latter's GSP policy supports neither H1 nor H3 as used up to this point in the case studies. Although industry statements fulfill the conditions for the dominance of general economic interest within the policymaking situation, official discourse shows the dominance of not general but anti-status quo economic interest. Likewise, although the dominance of anti-status quo economic interest should predict WTO substitution according to H1, this case study is one of simple use. Modifications to the definition of "general economic interest" based upon the unique nature of dispute settlement, however, alter this picture, showing support

¹⁰ Dhar and Majumdar (2006, 5) note that the inclusion of Pakistan in the EC's Drug Arrangements actually affected 44% of India's exports to the EU in 2001, excluding the impact on the textile and garment industries. Only in textiles and garments, however, were the changes likely to do significant harm given Pakistan and India's relatively greater similarities in product lines and competitiveness in these sectors.

¹¹ Given the failure of the anti-status quo/status quo identification in two of the four case studies presented here, this hypothesis will come under intense scrutiny in the near future. As mentioned earlier, however, this is a work in progress.

for both H1 and H3. Comparison with other disputes settled within the DSB should help clarify these discrepancies.

CONCLUSION

The admittedly limited empirical analysis above provides several insights regarding the research question posed here. The proposed hypotheses accurately predicted the outcome of EP strategic decision-making in two of the four case studies, one in each field of WTO activities. The hypotheses' predictive difficulties in the other two case studies both point to the distinction drawn between general and anti-status quo economic interests in H1 as perhaps being the source of the problem. It should be noted, however, that in the 14 case studies researched so far for this project - 13 of which deal with India - this distinction has worked in 12 of them, putting the cases presented here in the minority. More empirical work on Brazil will hopefully point out whether these two "failures" are simply the exception or whether there is a more serious problem with the definitions and/or hypotheses being used and tested here.

In more general terms, the evidence presented in this paper underlines the claims made in the Emerging Powers and Emerging Markets strand of International Relations literature that characterizes EP governments as "pragmatic" (Miller 2005, 52) or "conservative" (Gratius 2008, 15) international actors. Authors in this area differ in their definitions of what EP pragmatism actually is. One school suggests EPs prefer already existing institutional arrangements based upon a rational calculation of costs and benefits to be derived from that institution and, thus, that EPs will only participate in any institution as long as these benefits outweigh the costs (see Lake 2000; Garten 1997; or Drezner 2007, among others). Another (see Lima and Hirst 2006; MacFarlane 2006; or Goh 2006, among others) argues that pragmatism means EPs are diversifying their strategies, "strategically hedging to maximize their national interests" (Bava 2008, 11).

The evidence from this paper suggests that both schools are partially right. Although the examination of the two cases of simple use - and especially the government statements made in the process - indicates EP states are very much interested in maximizing their benefits inside of the institutions, the combination of their use of blocking activities within the WTO and their actual participation in substitution activities, such as the IAFTA, indicate their interest calculation may be less a dry, balance sheet

calculation and more one anchored in what benefits these states feel they deserve to receive from the given institution. On the other hand, their willingness to pragmatically pursue their goals outside the WTO à la a hedging of bets is restrained by their stated preference for the pursuit of the same goals within these institutions. As Brazilian foreign minister, Celso Amorim, remarked following the collapse of negotiations in Geneva in July 2008, “Not having a deal implies there will be pressure for bilateral and regional deals [...] But it is not ideal” (Reppert-Bismarck August 11, 2008). It is hoped (and expected) that the future development of this research project will ultimately shed more light on this subject.

APPENDIX 1: INDUSTRY ASSOCIATIONS EXAMINED BY INDUSTRY

BRAZIL

Industry	Industry Association(s) Reviewed
Agriculture	National Confederation of Agriculture and Livestock of Brazil (Confederação da Agricultura e Pecuária, CNA); Brazilian Association of Seed Producers (Abrasem); Brazilian Agribusiness Association (Associação Brasileira de Agribusiness, ABAG); ARES - Institute for Responsible Agribusiness (Instituto para o Agronegócio Responsável); Permanent Forum on International Agricultural Negotiations
Automobile and Automobile Parts	National Association of Automobile Manufacturers (Associação Nacional dos Fabricantes de Veículos Automotores, ANFAVEA); Brazilian Association of Auto Parts Manufacturers (Sindicato Nacional da Indústria de Componentes para Veículos Automotores, Sindipeças)
Electronics	Brazilian Association of Electric & Electronic Industry (Associação Brasileira da Indústria Elétrica e Eletrônica, ABINEE); Association of Brazilian Companies of Software and Information Services (Assespro Nacional, ASSESPRO)
Ethanol	Brazilian Sugarcane Industry Association (União da Indústria de Cana-de-Açúcar, UNICA); Brazilian Power Research Company (EPE)
Poultry	Brazilian Poultry Producers and Exporters or Brazilian Chicken Producers and Exporters Association (ABEF); National Confederation of Agriculture and Livestock of Brazil (Confederação da Agricultura e Pecuária, CNA)
Sugar and Sugarcane	Sugarcane Growers Association of the Center South Region of Brazil (Organização dos Plantadores de Cana da Região Centro-Sul do Brasil, ORPLANA); Brazilian Sugarcane Industry Association (UNICA)

INDIA

Industry	Industry Association(s) Reviewed
Agriculture	The All India Agricultural Labour Association; the Farmer Entrepreneurs Association; Shetkari Sanghtana ;Bharatiya Kisan Union (BKU); the Seed Association of India; the Confederation of Indian Farmers Associations; the Federation of Farmers' Associations; Indian Coordination Committee of Farmers
Automobile and Automobile Parts	The Society of Indian Auto Manufacturers (SIAM); Federation of Automobile Dealers Associations; Automotive Component Manufacturers Association (ACMA)
Batteries	Association of Battery Manufacturers of India; Battery Society of India
Chemicals	Indian Chemical Council; Chemical and Alkali Merchants' Association; Indian Specialty Chemical Manufacturers' Association; Indian Chemical Manufacturers Association
Coffee	Union Planters' Association of Southern India (UPASI); the Coffee Board of India*; the Indian Coffee Exporters' Association
Drugs and Pharmaceuticals	Organisation of Pharmaceutical Producers of India; Indian Drug Manufacturers' Association; Bulk Drug Manufacturers' Association; All India Small Scale Pharmaceutical Manufacturers Association; Indian Pharmaceutical Association
Fish and Seafood	Marine Products Export Development Authority; Association of Indian Fishery Industries; Seafood Exporters Association of India (SEAI)
Iron and Steel	All India Steel Rerollers Association; Indian Stainless Steel Development Association (ISSDA); All India Stainless Steel Industries Association; All India Iron & Steel Exporters Association; Association of Indian Forging Industry (AIFI); Iron & Steel Scrap Association of India; All India Iron & Steel Exporters Association
Metals	Federation of Indian Mineral Industries; Metal Finishers' Association of India; Indian Metal Component Manufacturers Association
Pepper	The Indian Pepper and Spice Trade Association; Spices Board of India
Rubber	All India Rubber Industries Association
Tea	The Union Planters' Association of Southern India (UPASI); the Indian Tea Association (ITA); the Tea Board of India
Textiles and Garments	Confederation of Indian Textile Industry (CITI); the Southern Indian Mills' Association (SIMA); The Textile Association (India); the Clothing Manufacturers' Association of India; the Northern India Textile Mills Association (NITMA)
Wine & Spirits	International Spirits and Wines Association of India

*The missions of the government-sponsored Spices Board of India, Tea Board of India, and Coffee Board of India are focused on lobbying for and improving the situation of their respective industries. Thus these Boards are treated as industry representatives despite their partial affiliation with the Indian government

APPENDIX 2: GUIDELINES FOR THE SELECTION AND CODING OF STATEMENTS

Selection

The newspaper articles and government documents from which the statements used here were taken were selected in the following manner. First, a search was performed in the media database, LexisNexis, for general search terms within a specific time frame. For example, for the Brazil case above, these terms were “WTO and Geneva and Brazil” and the time frame from May

1, 2008 to August 10, 2008. The results were scanned and those articles selected which provided general information related to the case study. Next, after reading through the media results, the relevant industry groups were determined, and the search in LexisNexis repeated, this time for specific industry groups within more specific time frames. So, for example, one search in the Brazil case was “National Association of Automobile Manufacturers or Associação Nacional dos Fabricantes de Veículos Automotores or ANFAVEA and Doha Round.” In addition, industry group websites were consulted. Finally, the various government websites were searched for documents within the specific time frame which included relevant statements.

The articles from the general search, the specific industry search and the government search - the preliminary analytical corpus - were then read to extract direct and indirect statements from the various relevant parties. Statements range in length from one sentence to multiple paragraphs and were selected and counted according to the following rules:

1. Statements are complete ideas.
2. ...are attributed to a named person or group.
3. ...are only attributed to a single person or group.
4. ...are divided by economic or political interest classifications. For example, if one part of a statement says something protectionist and directly thereafter something liberal, the statement will be divided at the change of ideas into two statements. However, a statement indicating both a single economic and a single political interest would be counted as one statement.
5. If more than one break in classification occurs in a statement, at each change of classification a “new” statement will start.
6. Identical (or nearly identical) statements will be counted: 1) once when each different appearance of the same quote refers to that utterance being made by the same person or organization in the same circumstances; 2) at each appearance when different appearances are attributed to different speakers (e.g. set diplomatic phrases) or in different situations/documents. This is justified since, under 1), one would be double-counting, whereas in 2) one is simply given an accurate representation of such sentiments in the discourse as a whole.

The extracted statements were then coded according to the rules below and reviewed. If a certain constellation of the statements was detected as being clear and if this constellation did not change significantly throughout the review of the statements, it was determined that the saturation point of the corpus had been reached and there was no need to look for further statements. If no dominant constellation could be determined, the search process above was repeated, this time using the Google search engine and ensuring that the news articles incorporated were legitimate news sources. This process was repeated until either 1) a dominant interpretation of the data, that is, a saturation point, was found, or 2) no further statements related to the given phenomenon could be found.

Coding

Coding of the various industry and government statements for the presence of the independent variables was done according to the rules listed in the chart below.

Hypoth	Variable	Indicators
H1/H3	Anti-status quo (Asq)	Measurement words (more, less, increase, decrease); Disfavor with the given situation (suffering, pain, etc.)
H1/H3	Status quo (Sq)	Words and phrases indicating concern about the impact of proposed changes; Satisfaction with the given situation
H1	Liberalization (Libz)	Words and phrases indicating actions related to market access/trade partners; Benefits resulting from exports and/or imports

H1	Protection (Prot)	Words and phrases indicating actions related to minimizing the negative consequences of free(r) trade; the negative consequences of free(r) trade themselves
H1	Economic Cooperation (Coop)	Words and phrases related to interstate cooperation in the fields of trade, finance and/or investment
H2/H3	Autonomy (Auton)	Words and phrases indicating a lack of support for the multilateral trading system or the principles underlying it; Words and phrases indicating displeasure with the restrictions of said system
H2/H3	Influence (Infl)	Words and phrases indicating a wish for more control over occurrences within the WTO or a desire to increase the ability of states to participate within it; Words and phrases delineating the responsibilities of various actors within the WTO
H3	Short-term (ST)	Words and phrases indicating effects within 5 years or less, or the “short-term”; Words and phrases indicating (positive or negative) urgency within a given industry’s economic situation (“kill”, “survival”)
H3	Long-term (LT)	Words and phrases indicating effects in more than 5 years, or the “long-term”; Words and phrases indicating no time frame for said effects (thus indicating the opposite of urgency)
H3	Direct	Words and phrases indicating a direct change in a specific industry’s position as a result of a policy (increased market access, job loss, etc.)
H3	Diffuse	Words and phrases indicating a change in the overall economic climate resulting from a policy (improved domestic economy, stable trade environment)

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