# International Trade Negotiations and Domestic Politics

The intermestic politics of trade liberalization

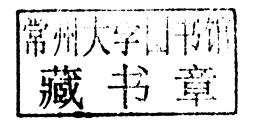
Edited by Oluf Langhelle



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First published 2014 by Routledge 2 Park Square, Milton Park, Abingdon, Oxon OX14 4RN

and by Routledge 711 Third Avenue, New York, NY 10017

Routledge is an imprint of the Taylor & Francis Group, an informa business

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British Library Cataloguing in Publication Data

A catalogue record for this book is available from the British Library

Library of Congress Cataloging in Publication Data
International trade negotiations and domestic politics: the intermestic politics of trade liberalization/edited by Oluf Langhelle.

pages cm

Includes bibliographical references and index.

1. Free trade. 2. International economic relations. I. Langhelle, Oluf HF1713.I568 2013

382'.9-dc23

2013004275

ISBN: 978-0-415-81156-9 (hbk) ISBN: 978-0-203-07027-7 (ebk) Typeset in Times New Roman by Wearset Ltd, Boldon, Tyne and Wear



# International Trade Negotiations and Domestic Politics

In spite of many years of negotiation on trade liberalization, progress seems to have stalled. This book explores why resistance to further market liberalization seems so strong, given that the benefits are seen to outweigh the costs.

This volume argues that in order to understand the slow progress of World Trade Organization negotiations, we need to take into consideration the 'intermestic' character of trade politics, that is, the way in which international and domestic aspects of politics and policies have been woven together and become inextricably related to each other. This is a general trend in our globalizing world, and one that is most pronounced in the case of trade politics and policy.

International Trade Negotiations and Domestic Politics therefore presents an in-depth analysis of institutions, ideas, interests and actors in the interplay between international trade negotiations and national negotiating positions. At the international level the authors focus on the multilateral negotiations within the World Trade Organization, together with the plurilateral and bilateral negotiations on free trade agreements. At the regional and domestic level they analyze the trade politics and policies of two established powers, the European Union and the USA; two rising powers, China and India; and a small industrialized country with an open economy, Norway.

**Oluf Langhelle** is Professor of Political Science at the University of Stavanger, Norway.

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### **Preface**

The Doha negotiations in the World Trade Organization (WTO) have been at an impasse since December 2011, or, at least, so it seems. Whether a deal may be reached in the foreseeable future is difficult to know. What we do know, however, is that the current negotiations have been extremely challenging for a number of reasons. Not only has the world witnessed tremendous changes in volumes and patterns of trade, but the growing influences of rising powers like India and, especially, China have challenged the positions of the EU and the US, the traditionally dominating actors in world trade.

There is broad general support for the multilateral trade system, and in principle all major players support the ideas built into the Doha Development Agenda of 2001. As we try to explore in this volume, however, international trade negotiations are increasingly challenging domestic interests and what many see as legitimate (non-trade) policy objectives. In an article in *Foreign Affairs* (1977), Bayless Manning created the word 'intermestic' in order to capture the concept that new economic issues are 'simultaneously, profoundly and inseparably both domestic and international'. The intermestic nature of trade politics and policy represent the starting point for this book.

Here, we address the intermestic nature of trade politics and policy in the following way. The first chapter presents the theoretical framework and the research questions. The second chapter gives an empirical presentation of the Doha negotiations and the proliferation of Preferential Trade Agreements (PTAs) over the last decade. The subsequent chapters present case studies of the United States, the European Union (EU), Norway, India and China, while the last chapter draws together the findings from the case studies in an intermestic framework.

This book is the result of a truly collaborative effort among scholars from China, Denmark (representing the EU), India, Norway and the United States. Altogether, we have held three collaborative workshops in order to flesh out the themes, structure and content of this volume.

Stavanger, January, 2013
Professor Oluf Langhelle
University of Stavanger and International Research Institute
of Stavanger, Norway

### Acknowledgements

The research on which this volume is based was supported by the Research Council of Norway through the Research Programme on Nature based Industry (project number 190184/I10). The Research Council, however, has supported our work on trade politics and policy in three previous projects managed by the International Research Institute of Stavanger, Norway (project numbers 133929/I10, 147492/I10 and 22037403), from 2000 onwards, making it possible for the Norwegian researchers to follow the negotiations more or less continuously from the Ministerial Conference in the World Trade Organization (WTO) in Seattle in 1999. We are deeply grateful for this support, which was granted despite the fact that, at times, not much happened in Geneva.

We have conducted interviews with trade representatives in Geneva and in the capitals of our cases, i.e. Beijing, Brussels, New Delhi, Oslo and Washington DC. We thank all the interviewees for their willingness to share their experiences and assessments with us. The list would be too long if we were to mention them all, but they all know how dependent we are on their contributions.

We would also like to thank two anonymous referees who gave us valuable advice early in the process of making this book.

In addition we would like to thank Lili Zhang Klepsvik and Erik Klepsvik who provided valuable inputs concerning language and translation from Chinese to English. Lili and Erik also facilitated our trip to China. Also Ole Bjørn Rongen helped us with the Chinese language. Furthermore, we would like to thank all the people at Routledge for their inputs and work with the manuscripts, along with the project manager, Amy Ekins, the copy editor, Denise Bannerman, and the indexer, Carol Bailey.

I use the word we, because this book is the result of a truly collaborative effort. More than anybody else, therefore, I would like to thank the contributors to this book for the efforts they put into the project, and in particular, Arild Aurvåg Farsund and Hilmar Rommetvedt who granted me the role of being editor.

Professor Oluf Langhelle