In order to better understand the role of the Cairns Group in the current negotiations, this paper examines the factors shaping the positions of the Group. Formed in 1986 as a pressure group for agricultural trade reform in the Uruguay Round (UR) of multilateral trade negotiations, the Cairns Group of medium and small agricultural exporting countries accounts for more than one third of global agricultural exports.

The Cairns Group was formed as a result of the increasing frustration of the smaller agricultural exporters with the repeated unwillingness of the GATT to bring agricultural trade under effective multilateral discipline. The Tokyo Round of GATT negotiations was no more successful than earlier GATT rounds in preventing agriculture from being marginalized and pushed off to the sidelines.

By the mid-1980s agricultural trade distortions and trade disputes were proliferating and the credibility of the GATT dispute settlement machinery was in tatters as countries began to block repeatedly the adoption of adverse GATT panel reports. It was against the backdrop of this deteriorating trade environment that the Cairns Group countries decided that if they were to influence the terms of reference for the upcoming Uruguay Round agricultural negotiations, and hence have a fighting chance of achieving an ambitious result at the end of the day, they had to become a negotiating third force. The negotiating history of the Uruguay Round clearly indicates that the negotiating leverage of the individual members was enhanced significantly by the disciplines of the collective consultation, coordination and action for the Cairns Group. The Group can legitimately claim credit for helping to ensure at Punta Del Este that the terms of reference for starting the negotiations were unambiguous and ambitious.

For the Doha Round, one of the key goals of the Cairns Group will be to try and ensure that when the US and EU do have their inevitable bilateral meetings, in order to bring the negotiations to a head, the outcome is closer to the ambitions of the Cairns Group, rather than that of the other extreme. Based on the UR experience, one can argue that, in order to minimize the risk that the US and EU will once again present a fait accompli to the rest of the world, the Group (and its allies) must do everything in their power to ensure that the modality proposals of the Chair of the Agricultural Negotiating group form the real basis for the inevitable superpower bilaterals and that these modalities adequately reflect the views of the Group.

A number of observers have noted that the Cairns Group sometimes has difficulties in reaching a common position and that these differences threaten the credibility of the Group. Others would argue strongly that diversity helps to ensure that Cairns Group bottom line positions are realistic as well as ambitious. Other observers have noted that the developing country members of the Cairns Group are more inclined than their developed country colleagues to tie progress in agriculture to progress in other areas of the negotiations. This should come as no surprise given the generally wider negotiating interests of the developed country members of the Cairns Group. However, all WTO members are very much aware that the Doha negotiations will not conclude until and unless agriculture is addressed in a manner satisfactory to the developing countries.

Among the developing country members of the Cairns Group there are varying views as to what special and differential treatment should mean in practice. All expect substantive provisions but some worry openly that S&D could inhibit South-South trade. Other developing country members are concerned about the de facto reintroduction of country specific exceptions through the back door of special and differential treatment. The challenge facing the Cairns Group in this regard is again no different than for the broader WTO membership. How to recognize differences in economic development without undermining the UR accomplishment of replacing ineffectual rules, riddled with country specific exceptions, with operationally effective rules of general applicability is the question. The Doha Round needs to ensure that this fundamental reform is protected while taking into account the reality that one size might not fit all, at least until such time as the development gaps are narrowed.

Perhaps the greatest contribution the Cairns group can make to the agricultural negotiations is to help develop a consensus on a position which manages to bridge the need to achieve meaningful trade reform on a global basis with the need to take into account the differing stages of development among developing countries. The diversified composition of the Cairns Group makes it ideally situation to take the lead in finding an appropriate balance.