

Instituto de Economía Facultad de Ciencias Económicas y de Administración Universidad de la República - Uruguay

Less developed countries' policy space in the emerging governance regime to food safety: Uruguayan trade negotiations to access high quality meat markets

Lucía Pittaluga Fonseca Cristina Zurbriggen

INSTITUTO DE ECONOMÍA

Serie Documentos de Trabajo

Octubre, 2015 DT 14/2015

 ISSN:
 1510-9305
 (en papel)

 ISSN:
 1688-5090
 (en línea)

Forma de citación sugerida para este documento: Pittaluga Fonseca, L. Zurbriggen, K. (2015) "Less developed countries' policy space in the emerging governance regime to food safety: Uruguayan trade negotiations to access high quality meat markets". Serie Documentos de Trabajo, DT 14/2015. Instituto de Economía, Facultad de Ciencias Económicas y Administración, Universidad de la República, Uruguay.

Less developed countries' policy space in the emerging governance regime to food safety: Uruguayan trade negotiations to access high quality meat markets

Lucía Pittaluga Fonseca* Cristina Zurbriggen **

Resumen

Este artículo examina dos estudios de casos de Uruguay en las negociaciones comerciales internacionales para el ingreso de carne de alta calidad (vacuno y ovino) con el fin de acceder a mercados de altos ingresos. Ambos casos incluyen la intervención de distintos actores del sistema internacional de gobernanza de la inocuidad alimentaria (actores multilaterales, como el Codex, la OIE o la OMC, así como actores bilaterales, como la Unión Europa o los EE.UU.). También involucraal gobierno uruguayo, a diversas instituciones a cargo de la salud animal y al sector privado local. Estos dos estudios de caso ilustran cómo un país de menor desarrollado relativo puede aumentar su espacio de participación dentro del sistema de gobernanza transnacional de inocuidad alimentaria. Contribuyen a mostrar que sin la creación de capacidades institucionales locales, como la política de trazabilidad de la carne en Uruguay, se hace difícil implementar estrategias del tipo "voz en lugarde silencio" por parte de los países menos desarrollados con el fin de impactar sobre los marcos normativos internacionales de modo de obtener ventajas competitivas en el comercio internacional.

Palabras clave: negociaciones comerciales, innovación, políticas de trazabilidad, gobernanza experimental, inocuidad alimentaria

Referencias institucionales

^{*}Instituto de Economía, Facultad de Ciencias Económicas y de Administración (Universidad de la República) <u>luciapittaluga@gmail.com</u>

^{**}Instituto de Ciencia Política, Facultad de Ciencias Sociales (Universidad de la República) <u>criszurbriggen@gmail.com</u>

Less developed countries ´ policy space in the emerging governance regime to food safety: Uruguayan trade negotiations to access high quality meat markets

LucíaPittaluga Fonseca Cristina Zurbriggen

Abstract

This paper examines two case studies from Uruguay which involve international trade negotiations to set high quality meat (beef and sheep) standards in order to access high income markets. Both cases include the intervention of the various actors of the international governance regime to food safety (multilateral actors, like the Codex, the OIE or the WTO, as well as bilateral actors, like the Europe Union or the U.S.). They also involve the Uruguayan government, its animal health agencies and the local private sector from the whole meat value chain. These two case studies illustrate quite accurately how a less developed country can increase its national policy space in the context of the emerging experimentalist transnational governance regime in food safety. They contribute to show that without the creation of local capabilities, such as the meat traceability policy in Uruguay, a voice-instead-of-silence strategy from less developed countries in order to impact on the international regulation framework of food safety is hardly possible.

Key words: international trade negotiations, innovation, traceability, experimentalist governance, food safety

Introduction

As it is well known, successive food scandals have resulted in a growing concern amongst consumers about the safety of food ingestion. In parallel to that, a relevant change in the economic structure of the global food production and distribution has occurred: the food retail concentration into a small number of major supermarket chains has brought about a global and interconnected system for the production and distribution of food. Food is produced locally, but it is increasingly traded globally.

As a result, global food safety is linked toglobal production and it raises the challenge of regulatory and new governance processes with regard to global governance. In consequence, public and private food standards are more and more central to international trade. Public mandatory standards, relating primarily to human and animal safety, have become more extensive and stringent. At the same time, private standards have become increasingly important factors to access to the market channels.

In that context, old and emerging public and private actors have different roles to accomplish the five basic functions that are involved in standards schemes: standard-setting adoption, implementation, conformity assessment and enforcement. In general, multilateral actors (like the Word Organization of Animal Health (OIE) Codex Alimentarius Commission-CODEX-, The Food and Agriculture Organization-FAO or the World Health Organization-WHO) are primarily concerned with standard-setting and with establishing metarules for governments to follow when introducing national regulations. Much of the work of private actors is to establish standards schemes with detailed rules concerning implementation and conformity assessment (Henson and Humphrey, 2009).

The emerging international governance regime to food safety is a complex multi-actor system. It includes the mentioned global meta-standards setters (the three sisters organizations: the Codex, the International Office of Epizootics-OIE, and the Secretariat of the International Plant Protection Convention-IPPC), global agreements (Sanitary and Phytosanitary Measures-SPS within the World Trade Organization-WTO), national or regional legislations, private standards setters and accreditation and certification entities, etc. It also includes local and international private actors from the whole food value chain, from producers to retailors.

According to Sabel and Zeitlin (2011), recent research suggests that, among other areas, the international food safety regime is emerging as an

experimentalist system because it has a governance architecture in which : (1) framework goals and metrics for assessing their achievement are provisionally established by some combination of "central" and "local" units, together with relevant outside stakeholders; (2) local units are given broad discretion to pursue these ends in their own way; (3) but as a condition of this autonomy, these local units must report regularly on their performance and participate in a peer review in which their results are compared with those employing alternative means to the same general ends and (4) the goals, metrics, and decision-making procedures themselves are periodically revised in response to the results of the review process.

Experimentalist governance represents a form of adaptive, open-ended, participatory, and information-rich cooperation in world politics, in which the local and the transnational interact through the localized elaboration and adaption of transnationally agreed general norms, subject to periodic revision in light of knowledge locally generated. (...) Because the overarching purposes of experimentalist governance institutions are cast as a general framework, and local units are authorized or obligated to contextualize these purposes in applying generally agreed norms and practices to local contexts. Implementation of the institution's goals will frequently involve exploration of unforeseen particulars, the discovery both of local dead ends and of novel, generalizable solutions, some of which may indeed raise questions about the originally agreed framework's goals and ends (de Búrca et al., 2013).

Moreover, experimentalist transnational governance offers a greater policy space to nations and regions in pursuing broadly shared goals. These features are especially desirable in transnational settings, and provide a workable architecture for reconciling cooperative regulation of open international markets with increased space for national and regional policy alternatives (Sabel and Zeitlin, 2011).

Concerning food safety issues, Henson and Jefee (2008) assert that the most typical assumption is that developing countries are 'standards takers', facing essentially all-or-nothing decisions regarding compliance with few, if any, alternative approaches to achieve their trade goals. However, the authors propose that public and private standards can be conceived as institutionalized market governance instruments which can be used by a country in an innovative policy arrangement to address global challenges (e.g. a proactive policy can be implemented by participation in the creation of regulations and standards and/or the negotiation before standards are applied). On this basis, they propose that businessmen and government have the possibility to adopt a "voice-instead-of-silence strategy", quoting Hirschman (1970^{1}) .

Managerial, technical and scientific national capabilities are crucial to design and implement those alternative strategies proposed by Henson and Jefee. However, the emerging experimentalist features of the food safety regime seem also to be central because they increase the local policy space, as Sabel and Zeitlin assert. In sum, the combination of these two factors (national capabilities in the context of an international experimentalist regime) seems to be central to achieve successfully these pro-active policies.

Therefore, in the rest of the paper it will be explored whether or not there has been localized generated knowledge in the high quality meat negotiations between Uruguay and its trade partners and if this led to a joint standardsetting process. Through two case studies, it will be examined which were the channels in which the local, bilateral and transnational interacted and how much do local capabilities matter to achieve a policy space in the emerging food safety experimentalist regime.

To do so, two case studies are examined which involve Uruguayan high quality meat exports to the Europe Union (EU) and to the United States (U.S.). Both cases include the intervention of the various actors of the international governance regime to food safety (multilateral actors, as well as bilateral actors). They also involve the Uruguayan government, its animal health agencies and the local private sector from the whole meat (beef and sheep) value chain. In the following sections, after a brief description of the Uruguayan meat traceability policy, the above two cases will be analyzed from an experimental approach point of view.

1. The meat traceability policy in Uruguay

Meat traceability system can be divided in two subsystems along the meat value chain: a) Cattle Traceability (CT) and b) Black Boxes (BB). The former implies the tracking of data from the farm up to the slaughterhouses, while the latter consists of tracing information on meat cuts during the industrial stage. The complete link between the two subsystems allows for the tracing of beef cuts from the retail level to the farm of origin ("from farm to plate").

¹Hirschman, A. O. (1970), *Exit, Voice, and Loyalty: Responses to Decline in Firms*, Organizations, and States (Harvard University Press, Cambridge, MA). Referred by Henson and Jefee (2008).

The implementation in 2006 of mandatory electronic CT in Uruguay to individually identify the 12 million bovines and trace their live steps from birth to slaughterhouse was the result of the work for over 30 years to improve beef production tracking.

The CT allows following the path of an animal, from registration until slaughter, providing information such as date and place of birth The information provided by the CT system provides ex-post information to identify, locate and isolate the source of contamination of a bovine outbreak. Thus, it allows a sanitary regulation outcome that has the feature of a public good.

On the one side, the CT implementation is inextricably linked to the control of the Foot and Mouth Disease (FMD). Only after the last FMD outbreak in 2001 -that chopped off nearly 40% of the meat' sales price- the government and the private sector started to seriously consider the need to improve the existing information system to regain confidence in the international markets. On the other side, the requirements from the EU are also a key factor to explain why an individual traceability system was finally implemented. In consecutive audits the EU had observed problematic aspects of the cattle group identification system that existed in Uruguay since the 1970s and pressured the government to provide greater health safeguards. Consequently, in 2005 the Uruguayan signed an agreement with the EU to meet the high-quality beef requirements, committing to fill the Hilton tariff quota² with meat from animals electronically identified individually since April 2010 (latter postponed to September 2011).

However, the government decided to go further on and to extend the individual traceability system to all the cattle living in the Uruguayan territory and not only for those meant to the EU's high-quality beef quotas, like the Hilton Quota.³ The mandatory CT system was implemented with an inclusive approach, that is, with no segmentation between different markets (domestic versus export, high-quality versus standard quality, etc.). Consequently, all producers, regardless of their size, place of residence in the territory or market destination, are obliged to comply with CT.

 $^{^2}$ Hilton is the informal name given to the High Quality Beef (HQB) tariff quota originated in the GATT Tokyo Round from 1973 to 1979. Argentina, U.S., Australia and Uruguay agreed with the then called European Community the import of HQB cuts from non-EU countries which permeated the European agriculture protectionism. The Hilton quota is an overall quota allocated by portions to each of the participating nations bilaterally assigned and based on a country by country description of export products. The ad valorem customs duty are 20 %.

³ Other countries, like Argentina or Australia, have established systems to individually identify only the cattle that will be shipped to the EU.

Pittaluga-Zurbriggen

The implementation of CT was an enormous challenge: First, because until then, there was no country in the world that had implemented a universal electronic tracking system for the whole national bovine stock. Second, because it involved the coordination of a large number of actors scattered all over the country, and many located in remote rural areas. Finally, it implied a cultural change: new technologies were to be introduced in a production with deeply rooted traditions regarding the way things are done.

The above CT implementation process is unthinkable without the established public-private collaboration environment, a tradition to agriculture policy in Uruguay, in which the different actors are able to bridge their differences.

As regards to the BB, the initial goal was to obtain reliable information related to taxes paid by meat processors. However, later on, the government (represented by the National Meat Institute-INAC) further developed the BB project into a more comprehensive system to allow a more fluid interaction between processors and producers. The goal of the BB was then broadened not only to be an income audit tool for the Internal Tax Revenue Office but also to be part of the traceability system. Progressively BB systems have been installed in slaughterhouses since 2004.

Since 2013 the export authorized slaughterhouses were included in a program that harmonizes the two subsystems (CT and BB). The link between them should allow for the beef cuts tracing from the retail level to the farm of origin ("from the farm to the fork"). Nevertheless, there are still very few experiences that exploit the complete meat traceability system from farm to fork. Nowadays, traceability has been extended to other animals (horses, poultry, and sheep subpopulations) and to citrus fruit.

As it will be exposed below, the meat traceability system (CT and BB) implemented in Uruguay has a central role to play in coping with the increasing uncertainty related to food safety in global production. Two case studies applied to beef and sheep meats allow illustrating this phenomenon.

2. The EU's free-hormone High Quality Beef (HQB) Quota

The first case studied in this document is connected to the EU's High Quality Beef (HQB) quota created following the U.S-EU hormone beef dispute settlement. The way in which Uruguay managed to access and to comply with its normative and procedural standards illustrates how an open ended issue pushes the regulatory authorities, in this case the EU, to choose experimental ways to resolve complex problems that are still poorly defined and have unpredictable evolutions.

The case study shows how different actors from the local, bilateral and transnational levels have interacted in the governance architecture of the HQB quota: from joint-definition of the product to be included in the quota by a bilateral agreement between the U.S. and the EU, to its Uruguayan adaptation to local specificities, via the inclusion in the quota of other countries other than the U.S. and Canada in the WTO transnational context. The detection of experimental features from this particular case discloses new emerging mechanisms of the transnational governance regime to food safety. However, before introducing and analyzing the specific case from the HQB quota it is useful to plunge into the more general discussion about how far experimentalist features are being introduced in the EU's external food safety governance regime.

2.1. The experimental features of the EU's external food safety governance regime

Several studies have tried to verify the hypothesis that the EU is a powerful global standard setter in the governance of food safety by overseeing and enforcing its own system of import safety vis-à-vis Third Countries (TCs). This supports its characterization as a unilateral agenda setter. In other words, form this point of view the EU seeks to extend its internal standards (both procedural and substantive) beyond its borders as a condition for market access for TCs. Hence, the EU has been characterized as a "normative empire" that is able to extend its regulatory requirements to TCs based on the combination of two decisive factors: 1) the strength and attractiveness of the EU internal market for foreign companies and 2) the stringency of the EU health and safety standards, which makes importing countries adjust their regulations in order to reach the Union's level of protection (Laïdi, 2008).⁴

Counter-arguing Laïdi, Vos and Weimer (2013) find convincing arguments and some facts which show that the EU's unilateral role in the setting of the external governance of food safety is to some extent mitigated by both its cooperative engagement with TCs at the bilateral level, and by its embeddedness within multilateral global governance institutions, such as the WTO and the Codex.

⁴Laïdi, Zaki (2008), "The Normative Empire – The Unintended Consequences of European Power". <u>https://hal.archives-ouvertes.fr/hal-00972756/document</u>. Referred by Vos and Weimer (2013)

Pittaluga-Zurbriggen

The authors show that two crucial institutional mechanisms of the EU's external food safety governance, namely the EU's Food and Veterinary Office (FVO)⁵ and the EU Rapid Alert System for Food and Feed (RASFF), work as reflexive institutions with strong features of de-centralized implementation, reporting and peer review, as well as learning and recursive revision of rules. Both FVO and RASFF provide important opportunities to TCs to participate in the Union's internal and external governance and rule-making processes.

Concerning the FVO, they find experimentalist features in its activities with TCs. The FVO's audit in TCs has adopted a "system approach "in which its focus is no longer on the inspection of individual exporting establishments – although this remains part of FVO's work –but rather on the effectiveness of TC's regulatory systems as a whole. Thus, when auditing control systems at national level the FVO undertakes a systematic examination whether activities and related results comply with planned arrangements and whether these arrangements are implemented effectively and are suitable to achieve objectives.

However, with regard to the joint rule-setting feature of experimentalism, it is noted that the FVO ensures compliance of TCs regulation with EU standards. In contrast to the EU internal dimension, in the external dimension there is therefore an asymmetry in the functioning of the FVO to the extent that TCs do not directly participate in the formulation of EU food safety standards applied to them as a condition for market assess. In line with the multilateral context of EU standard setting it is also observed that when auditing TCs, the FVO explicitly refers to Codex standards. Yet, the setting of EU food safety standards is subject to the reflexive discipline of WTO law on the one hand, and is often based on standards set within multilateral regimes at global level (e.g. Codex) on the other. This multilateral, rather than unilateral nature of EU standards is reflected in FVO's work.

Their final conclusion is that, in the one side, global food safety governance institutions, such as the WTO, and international standards setting bodies, such as the Codex have the potential to destabilize EU's internal decision processes by subjecting them to certain deliberative constraints. It follows that EU food safety rules exported to TCs as a condition for market access can be considered to some extent as the result of joint rule-setting within global multilateral fora. Thus, joint goal-setting at global level can only be assumed to the extent that developing countries are in fact able to make their voice heard in both the WTO and in the international standard setting bodies.On the other side, rather than simply imposing EU standards on importing countries, the EU has developed several mechanisms of both co-operation

⁵http://ec.europa.eu/food/food_veterinary_office/index_en.htm

with and capacity-building support for TCs in meeting the EU import safety requirements. In some cases, such as with the competent authority model, TC's authorities may even act as de facto agents of EU food safety regulation, which in turn allows them to communicate their needs and concerns back into the Union's regulatory process.

These experimental features of the EU's external food safety governance regime are illustrated by the HQB quota case examined below.

2.2. The U.S.-EU hormone beef dispute

Concern in the EU over the use of hormones in meat production arose as a result of a series of health scares connected to the illegal use of growth hormones. At the time, the EU lacked a harmonized regulatory approach for hormones in meat. Several events related to beef consumption caused serious public concern and motivated EU institutions, particularly the European Parliament, to take action. Given that EU member states all maintained differing policies and failed attempts at community harmonization, the only way to achieve a community-wide policy was to ban the use of hormones outright (Hornsby, 2012). The ban reflects the EU's approach to food safety policy, known as the precautionary principle, which supports taking protective action before there is complete scientific proof of a risk. The ban also effectively restricts trade of meat and meat products from countries that regularly treat farm animals with these growth promotants. (Johnson, 2015)

In the U.S., the use of growth hormones was an accepted practice, dating back to 1956 when the Food and Drug Administration (FDA) first approved them for use. When the EU ban came into place in 1989, it was estimated cost the industry approximately \$250 million/year in lost exports.⁶ The U.S. (and Canada) responded to the EU hormone ban by imposing retaliatory tariffs of 100% ad valorem duty on selected food products. The above facts gave rise to the beef-hormone conflict between U.S. and the EU (and Canada and the EU) that lasted until 2009. A conflict that established itself as the mother of all food safety trade disputes (Josling, Roberts and Hassan, 2000).

Over the years, the U.S. (and Canada) and the EU attempted to resolve this dispute through a series of WTO dispute consultations, settlement panels, arbitration proceedings, and formal appeals. One of the earlier WTO panel decisions in 1997 ruled against the EU on the grounds that the ban was

Pittaluga-Zurbriggen

⁶In Canada, the use of hormones in beef production was also considered accepted practice. The ban affected the Canadian beef industry significantly with officials arguing that by January 1989, exports of beef to the EU had suffered a 72% decline. (Hornsby, 2012)

inconsistent with the EU's WTO obligations under the SPS Agreement because the EU had not conducted a risk assessment. However, in October 2008, the WTO issued a mixed ruling allowing the U.S. (and Canada) to continue its trade sanctions, but allowing the EU to maintain its ban.

Finally, on May 13, 2009, a Memorandum of Understanding (MOU)⁷⁸ was signed by the U.S. and the EU (and another one by Canada and the EU). The agreement provided U.S. producers (and Canadian) access, at zero duty, to the EU market for HQB produced from cattle that have not been treated with growth-promoting hormones. This gave rise to a new tariff-free import quota for HQB (from now on named "481/620 quota" -according to the numbers of the EU's regulations⁹- as to differentiate it from the older HQB quota named Hilton). The EU import quota was set at 20,000 tons in each of the first three years and increased to 48,200 tons in 2012, of which 45,000 was allocated to the U.S. and the rest to Canada. In exchange, retaliations measures to the EU were progressively planned to be removed.

2.3. HQB quota's U.S.-EU joint setting in the context of the WTO agreement

Following the U.S.-EU agreement and the creation of the 481/620 quota, several meat-exporting countries, including Argentina, Brazil, India, New Zealand, Nicaragua, Paraguay, and Uruguay, argued that the duty-Free Tariff-Rate Quota (TRQ) should be available to all MFN ("most favored nation") countries. These countries argued that the U.S.-EU agreement was "discriminatory" and inconsistent with WTO rules since it allowed for an increase in the U.S. (and Canada) quota but did not make similar concessions to other countries.

Strictly speaking, in WTO terms the MFN basis of the new TRQ cannot be denied. But it contained, according to several country sources, a product definition for HQB that exporters other than the U.S. and Canada were unlikely to meet. The latter was never denied by EU and U.S. sources, which asserted that indeed "...the definition of HQB had been written in such a way that only

A revised Memorandum of Understanding was established on 21 October 2013.

⁷ MOU regarding the Importation of Beef from Animals Not Treated with Certain Growth-Promoting Hormones and Increased Duties Applied by the United States to Certain Products of the European Communities. http://www.wto.org/english/tratop e/dispu e/cases e/ds26 e.htm.

⁸Consequently, the Council Regulation (EU) No 617/2009 of 13 July 2009 opened an autonomous tariff quota for imports of high-quality beef.

⁹Comission Regulation (EC) No **620/2009** of 13 July 2009 providing for the administration of an import tariff quota for high-quality beef that was replaced in 2012 by the Comission Implementing Regulation (EU) No **481/2012** of 7 June 2012 laying down rules for the management of a tariff quota for high-quality beef.

the U.S. and Canada would be able to fill the TRQ" (Inside US Trade, April 2009). 10

During the WTO meetings that followed the signature of the U.S.-EU's MOU several meat-exporting countries questioned the HQB definition included in the MOU and evaluated its impact on the MFN WTO's rule.¹¹

In this regard, Argentina noted that different definitions of HQB had been agreed by the EU with different exporters inside the Hilton regime. However, as a result of this last MOU, one single definition with certain characteristics had been agreed upon with the U.S. and the European Commission (EC). Indeed, the EC set out different rules for beef from different exporters to qualify as HQB Hilton. Beef from the U.S. and Canada must be mostly grainfed and beef from Argentina, Australia, Uruguay, Brazil, New Zealand, and Paraguay, on the other hand, has to be grass-fed – exclusively fed through pasture grazing – to qualify as "high-quality" for their separate quota shares.¹²

Uruguay's stand at the WTO, joining Australia and Argentina, was that the EU-U.S. agreement "defined as high-quality meat only that of the type exported by the US," without any justification for doing so. It claimed that the agreement could potentially cause the US' share in EU imports of high-quality beef rise from 19 percent to 54 percent. Other exporters, including Uruguay, would continue to face the 20 percent in-quota tariff within the existing TRQ, and would be displaced.¹³

However, over time, Australia (in 2010), New Zealand (in 2011), Uruguay (in 2011) and Argentina (in 2014) were given access to the duty-free quota, after putting in place production systems that the EU recognized as compliant with the new quota's feeding and grading conditions.

On the other hand, on 2012 the EU changed the quota management system to a First Come First Served (FCFS) system. Following some initial challenges exporters were experiencing with the administration of the EU's import license system, a new FCFS system was introduced for this TRQ on July 1, 2012. Since

¹⁰ The EU-U.S. MOU defines HQB as beef cuts "obtained from carcasses of heifers and steers less than 30-months of age" which have been raised on a diet with a high percentage of grains. ¹¹ See WTO "Minutes of Meeting" (meeting held June 19, 2009), WT/DSB/M/270, August 28, 2009.

MOU between the U.S. and the EC regarding the importation of high-quality beef and the dispute: "EC – Measures Concerning Meat and Meat Products (Hormones)". Statements by Argentina, Australia and Uruguay.

¹²Comission Regulation (EC) No 810/2008.

¹³See WTO "Minutes of Meeting" (meeting held June 19, 2009). See also BRIDGESVOLUME 13 - NUMBER 23. New Issues Arise in EU-US Beef Trade Dispute. 24 June 2009: <u>http://www.ictsd.org/bridges-news/bridges/news/new-issues-arise-in-eu-us-beef-tradedispute</u>

Pittaluga-Zurbriggen

then, the quota has been administered on a quarterly basis. This management system increases even more the requirements needed to succeed in selling HQB in the EU markets. It entails a very precise synchronization between the European importers and the local slaughterhouses and feedlots or calving pens. In addition, geographic distance from Europe is an important factor to "come first" which impacts negatively to Australia and New Zealand, as well as to Argentina and Uruguay, with respect to the U.S and Canada. Even so, Australia and Uruguay have increased theirs shares from the total duty-free during last years at the expense of the U.S..

In sum, in the context of the WTO, the U.S. and the EU achieved to set jointly the standard which defines HQB for the TRQ opened to set their beef hormone dispute. Although complaints from other main beef exporters at the WTO, the product definition, which suited the U.S and Canadian production beef systems, was not changed in the subsequent EU's TRQ regulations. However, some of the main beef exporters managed to meet the requirements from the HQB quota thus defined and adapted to their specificities. First Australia, then New Zealand and Uruguay and finally Argentina were given access to the duty-free quota, after proving they could comply with the product definition stated by the TRQ.

Currently, the U.S. private sector's stand¹⁴ is that inclusion of other eligible countries, per WTO most favored nation status trade rules, dilutes the opportunities in this market and the compensatory nature of the quota. However, the U.S. meat industry has not sought an outright removal of the hormone ban under the Transatlantic Trade and Investment Partnership (TTIP) which is currently being negotiated between the U.S. and the EU.¹⁵ In line with the government negotiators, the U.S. meat industry is looking for the creation of a specific TRQ for hormone-free beef by the TTIP, similar as it was agreed in the EU-Canada Free Trade Agreement (CETA).¹⁶ This possible TTIP quota jeopardizes the meat exporters' capability achievements, other than the U.S., to access and trade in the HQB quota.¹⁷ However, this is still an open ended issue that will evolve in the following years.

¹⁴ See, for example, the North American Meat Institute (NAMI)'s stand in: <u>https://www.meatinstitute.org/index.php?ht=a/GetDocumentAction/i/93323</u>. NAMI is a trade association that represents companies that process 95 percent of red meat in the U.S. ¹⁵Inside U.S. Trade - 02/14/2014, Vol. 32, No. 7.

https://stopttipitalia.files.wordpress.com/2014/04/eu-farm-groups-push-administrativeactions-to-ease-barriers-under-ttip.pdf

¹⁶ Idem.

¹⁷ See Australian fears concerning this issue in: <u>http://www.beefcentral.com/features/beefex-2014/are-there-risks-ahead-for-australias-grainfed-beef-access-to-the-eu/</u>

2.4. Uruguay meets the requirements to access the new HQB quota

On February 2012, the first Uruguayan HQB to fulfill the new quota was shipped to Europe. Uruguay was the first Latin-American country to have access. The Uruguayan eligibility to the 481/620 quota was based on several arguments recognized by the EU: the rearing process guaranteed to be pasture-based and hormone-free (the latter pursuant to a Decree from 1962 and in accordance with CODEX); feed contains no antibiotics or animal proteins (banned since 1996 and CODEX accordance); no chlorine is used when cleaning and handling livestock at the time of slaughter¹⁸; free-FMD with vaccination and Bovine spongiform encephalopathy (BSE) insignificant risk both according to the OIE; and, there is a universal bovine meat traceability system.

A 2004 FVO's final audit report¹⁹ had already recognized that Uruguay has equivalent national legislation in place since 1962 with regard to those hormonal substances whose use as growth promoters is prohibited in food producing animals under Community legislation.²⁰ Additionally, there is a National Residue Control Programme which effectively controls residues in animals, looking for banned substances as growth promoting hormones and others. This Programme has been audited by the FVO in 1998, 2004 and 2010 with satisfactory results.²¹

However, Uruguay implemented a specific and unique production system to comply with the 481/620 quota. Virtually the entire production cycle is based on natural pastures (breading and rearing), but the product is finished by 100 days of grain fed in a calving pen before slaughter, in order to reach the live weight required by heifers and steers less than 30 months of age. After several rounds of negotiations between the EC's and the Uruguayan government's officials, the individual traceability system implemented by Uruguay was considered to meet the needed requirements to provide

¹⁸ This is an outstanding issue for the EU's meat imports and there is still no agreement between the EU and the U.S.. The EU continues to disapprove the common U.S. practice in the beef industry of using antimicrobial treatments to ensure that meat is not contaminated with pathogens.

¹⁹ Final Report of a Mission carried out in Uruguay from 9 to 17 June 2004 concerning the evaluation of the control of residues and contaminants in live animals and animal products, including controls on veterinary medicinal products. <u>http://ec.europa.eu/food/fvo/audit_reports/details.cfm?rep_id=1173</u>

²⁰**Decree of 5 April 1962** regulates the prohibition of natural and synthetic substances with oestrogenic activity used for caponisation and fattening of animals whose meats or derivatives are meant for human consumption (prohibition of diethylstilbestrol).

²¹ See in <u>http://ec.europa.eu/food/fvo/audit_reports/index.cfm</u>

Pittaluga-Zurbriggen

information to certify the animal's age²² and to comply with the confinement with grain fed in a calving pen during the last 100 days before slaughterhouse.

As in the case of Uruguay, each one of the other countries that gained access to the 481/620 quota (see chart below) proposed their own unique production system to comply with the quota. Thus, it can be asserted that the EU's compliance system to the 481/620 quota has strong features of de-centralized implementation, as well as learning mechanisms, in which the local, the bilateral and the transnational interact through localized elaboration and adaption of transnationally and bilaterally agreed norms. This compliance system has experimentalist features which will be examined in the next section.



REGULATION (EU) 481/2012 (Tariff quota for high-quality beef)

2.5. EU's rule-making process to establish compliance with the HQB quota

The FVO pertains to the EU's Directorate General Agriculture and Rural Development (DG Agri) and, as already mentioned, is a crucial institutional mechanism of the EU's food safety governance.

As other meat exporting countries to the EU, Uruguay is regularly audited by the FVO to verify its meat safety conditions and processes. However, the EU audit from November-December 2013 was different from the previous ones. First, because the methodology changed: two departments from the EC came together (DG Health and Consumers and DG Agri) to audit at the same time;

²² This cannot be defined by the quantity of incisor teeth as in the case of Australia's livestock.

and second, because it was the first time ever that the 481/620 quota was audited.²³

As charted in the following diagram, the EU specifically audited if the traceability system was able to differentiate the entirely grass feeding animals required by the Hilton quota from the grain termination animals required by the 481/620 quota. Beef from the 481/620 quota is different from the Hilton's quota in that it requires animals fed with grain in their termination phase (after their entire grass fed life) and confined in calving pens during the last 100 days before slaughter. However, both quotas require the same regulation to animal identification and traceability in accordance with Article 13 of Regulation (EC) No 1760/2000.



As it was already mentioned, each country has proposed different ways to comply with the EU regulation for the 481/62 quota. Uruguay is the most demanding system because it chose the mandatory universal traceability system to provide reliable information about the production system in which the animal was raised. The other countries have limited traceability only to the firms that have previously registered to the programs that serve the quota.²⁴

The 2013 audit's results were positive meaning that the overall conclusion is that the Uruguayan control system is generally considered to be capable of providing the guarantees for certification of beef to be exported to the

²³ Australia is next and will be audited during 2015.

²⁴For example, Australian companies must have an in-house program to ensure all carcasses are assessed to comply with the HQB requirements. Australian beef exported to the EU must come from cattle raised on properties where all cattle are individually identified and proven to have never been treated with hormone growth promotants (HGPs). <u>http://www.mla.com.au/Prices-and-markets/Overseas-markets/Europe/Beef</u>

Pittaluga-Zurbriggen

EU.²⁵However, the robustness of the system is undermined by several issues that are still (on May 2015) being negotiated between the parties. The focus of current negotiations between auditors and the local authorities is the operational meaning of traceability. Several interviewees from the Uruguayan are confident that they will finally arrive government to an understanding. There is a learning process from both sides, they assert, because Uruguay is the first country to implement such a universal and mandatory traceability system and this is the first time that such an informational system is the support of compliance to meat safety. Therefore, there is a process of trial and error that requires time and understanding between parties²⁶ and both perfectly recognize that it is an open-ended issue in which knowledge based on science as well as on experimentation has to be created.

The FVO's rule-making process to establish compliance with the 481/620 quota from Uruguay turned out to be a joint standard-setting process involving local, bilateral and multilateral interactions. This creative process clearly shows that developing countries can actively participate in a transnational experimental governance regime. However, it also proves that without the creation of local capabilities, as the meat traceability policy in Uruguay, this would be hardly possible.

2.6. The experimentalist governance architecture of the HQB quota

As it was analyzed in the preceding sections, in the governance architecture of the HQB quota there are several actors interacting at several levels (charted in the diagram below). In the context of the WTO, the U.S. (and Canada) and the EU settled their hormone beef dispute creating a EU's new free-hormone HQB quota; they bilaterally set the product definition of the quota to suit the specificities of the U.S and Canadian beef production systems; however, other meat exporters claimed at the WTO to have access to the quota in a MFN basis; as Uruguay, other countries were finally accepted to access the EU's quota; Uruguay's compliance system to the quota is the first to be audited by the EU; it is based on a sanitary status in accordance with OIE and CODEX, on a production system that the EU recognized as compliant with the new quota's feeding and grading conditions and a universal and mandatory meat traceability policy. The local actors are involved in strong public-private

²⁵http://ec.europa.eu/food/fvo/audit_reports/details.cfm?rep_id=3295

²⁶ For example, Uruguay has proposed to change the animal status for certification from "traced /non traced" to "suitable/non suitable". The latter is not a less stringent classification status; it only corrects the former classification including those non traced animals which in fact were suitable for EU's export.

collaboration as ranchers, slaughterhouses and public actors interact to design and implement policies to achieve these demanding sanitary requirements.



In sum, the 481/620 quota governance process is organized according to the four principles highlighted by Sabel and Zeitlin (2011) in an experimentalist regime. The joint rule-setting feature of experimentalism is observed in this case because Uruguay proposed to the EU a specific and unique production system to comply with the 481/620 quota. Moreover, the universal and mandatory individual traceability system was accepted by the EU to meet the information requirements. So there is a decentralized implementation in which the local unit is given broad discretion to pursue its ends in its own way. However, Uruguay has to report its performance through the FVO's regular audits and the results will be compared with those employing alternative means. Thus, this case study shows how is evolving the international food safety regime to transform itself in an experimentalist system.

3. The free-FMD sheep meat with bones compartment

In order to open the sheep meat with bone high quality market the Uruguayan government has leaned in the OIE the regulation of a new production mode: the free from FMD sheep compartment without vaccination. Although the compartment is an international standard developed by the OIE to facilitate

Pittaluga-Zurbriggen

travel, there are few countries that have applied to it yet. Thus, the Uruguayan case is innovative in a global context.

This second case study illustrates quite well how a multi-level governance process can set a standard. It shows how a tailor solution to a specific problem provides feedback mechanisms to share and build knowledge, and promotes the necessary adaptability. As in the first case studied above, this case shows that there exist experimental features in the new emerging mechanisms of the transnational governance regime to food safety.

Uruguay has been officially recognised by the OIE since 2003 as a country free from FMD practicing vaccination. However, only beef cattle are currently vaccinated since sheep have not been vaccinated since 1988. It is therefore possible to demonstrate scientifically that sheep do not have antibodies against FMD, evincing that the disease in sheep has been eradicated in Uruguay. On this basis, the sheep meat with bone exports has been one of the goals pursued by Uruguay since several years. But it has always faced obstacles by potential importers, arguing that the bone could be a vector for FMD transmission. Thus, no country wants to take the risk to buy meat with bones from non-vaccinated sheep. Although Uruguay has many export markets for beef and sheep meat owing to its animal health status, the EU and U.S. restrict imports to deboned meat. This is another non-tariff barrier which until now scientific foundations cannot overthrow.

The Uruguayan alternative track has been to launch the Free-FMD open sky sheep compartment. The figure of the compartment may enable Uruguay to export sheep with bone to any market, principally to the U.S. and EU.

In the next sections, before the analysis of the specific Uruguayan case, it is exposed the OIE's global governance structure and the general concept of compartment developed by this international organization.

3.1. The OIE's experimental features to play in the governance regime to food safety

The OIE, one of the three global standards-setting organizations, was created in 1924. Itsheadquarters are in Paris (France) and has 5 Regional Representations and 6 Sub-Regional Representations.²⁷It is an intergovernmental organization responsible for improving animal health.

²⁷ Forthe Americas the regional representation is at Buenos Aires and the subregional at Panamá.

The main objective of the OIE is to improve the transparency and international collaboration in the control of serious epizootic animal diseases. In this context, the OIE standards are recognized by the SPS Agreement (WTO) as reference for international sanitary rules. As market has become more global and complex, the OIE has developed normative documents relating to rules that member countries can use to protect themselves from the introduction of diseases and pathogens and to facilitate safe international trade of animals and animal products while avoiding unnecessary impediments to trade.²⁸

OIE standards are prepared by elected Specialists Commissions and by Working Groups bringing together internationally renowned scientists, most of whom are experts within the network of about 200 Collaborating Centers and Reference Laboratories that also contribute towards the scientific objectives of the OIE. As it's charted in the following world maps, there are 190 Reference Laboratories²⁹ around the world (including only Argentina and Brazil from Latin America) and 37 Collaborating Centers ³⁰ (including only Argentina and Uruguay from Latin America).

Thus, the standards are elaborated with the participation of its 180 members of different countries, specialized commissions and working groups with the collaboration of the scientific network. The only pathway for adoption of a standard is the approval by the World Assembly of Delegates meeting in May of each year at the OIE General Assembly, where standards are updated annually based on scientific evidence.

²⁸The main normative works produced by the OIE are: the Terrestrial Animal Health Code, the Manual of Diagnostic Tests and Vaccines for Terrestrial Animals, the Aquatic Animal Health Code and the Manual of Diagnostic Tests for Aquatic Animals.

²⁹These are reference centres headed by an OIE expert whose role is to monitor all scientific issues relating to a specific disease (surveillance, control, training)

³⁰These are reference centres in a designated animal health field responsible for providing expertise in this specialisation for all diseases on the OIE List (standards, training, etc.).



At the same time, the OIE has decided to provide a better guarantee of food of animal safety by creating a synergy between the FAO and the WHO by the means of the concept of "One Health".

Moreover, OIE has an active role to articulate private and public standards. According to Carlos Correa³¹the OIE has had a strategic vision to create communication bridges with the main organizations, like GLOBALG.A.P. or BRC, which generate private standards. Also, the OIE participates in one of the biggest global retailors as part of the Directorate and has established 200 agreements with private sector actors. The result is that public and private standards are being unified.

There is consensus among interviewees that the OIE has become increasingly important in the international negotiations regarding the relationship between public health and animal health. Within the complex regime of global animal health, the OIE is a central international institution.

In sum, the OIE is a small organization that works mainly through a network modality deployed all over the planet, gathering information and knowledge from its regional representations, as well as from its scientific network and contributions from its 180 country members. This governance structure allows the OIE to implement participatory and de-centralized processes to reach to local adapted and information-rich general standards. This reveals strong

³¹Currently retired. Uruguay's OIE delegate during 30 years and Past President of the OIE's World Assembly of Delegates.

experimental features.

3.2. The OIE's compartments to biosecurity management system

At the 72nd OIE General Session, 2004, the General Assembly adopted the concept of compartmentalisation, a procedure that can be used to define and manage an animal subpopulation of specified animal health status in accordance with recommendations in the Terrestrial Animal Health Code and the Aquatic Animal Health Code. (Kahn and Muzio, 2014)

The OIE argues that it is possible to apply strict biosecurity measures to an animal subgroup population in order to ensure their health. In this context, the concept of "compartmentalization" ensures health condition of an animal subpopulation, regardless of the health status of a zone or country. Thus, this concept was introduced by the OIE as an alternative way to manage diseases and pathogens in animal populations.

Compartment means that there are one or more establishments under a common biosecurity management system containing an animal subpopulation with a distinct health status with respect to a specific disease or diseases for which required surveillance, control and biosecurity measures have been applied for the purpose of international trade.

In this process, traceability is a key factor because documentation is critical to the definition of a compartment. The standard operating procedures should be in place to document all operations of the compartment. The documentation must provide clear evidence that the biosecurity, surveillance and management practices are adequate to meet the definition of the compartment.

To date, compartmentalisation has been applied with varied results in 8 countries. Five were defined for avian influenza and/or Newcastle disease in poultry; two were defined for pork production (various diseases); one for aquatic animals and one for sheep.(Kahn and Muzio, 2014) Thus, the use of compartmentalisation has been rather limited. Additionally, there are few examples of importing countries recognising the compartments of exporting countries for trade purposes and this has probably made the use of compartmentalisation a less attractive option. (idem) However, based on the OIE approach, in 2009 the EU adopted a decision on compartmentalisation in poultry, which was considered to be consistent with the EU Animal Health Strategy.

In sum, there are still few animal health compartments operating at this time and few countries have been successful in obtaining recognition of trading partners for the compartments. In this context, the Uruguayan sheep compartment is innovative. According to Khan and Muzio (2014), nowhere else in the world has there ever been a compartment like the one Uruguay is developing, with the characteristics of being rangeland intended to guarantee country FMD freedom by separating one species (sheep) that is not vaccinated against FMD from another species that is vaccinated (beef cattle). Next sections plunge into this particular case.

3.3. Uruguay's free-FMD sheep meat with bones compartment

The MGAP authorized the Uruguayan Wool Secretariat (SUL), a nonprofit private institution directed and financed by sheep producers, to create the compartment according to the guidelines established by the OIE.

The sheep that enter the Uruguayan compartment are weaned lambs, in excellent health, that come from mothers which (like the rest of the country's sheep population) are unvaccinated. They were identified individually by means of both a visual ear tag and an electronic ear tag (the same system used for beef cattle) and their blood was tested for the absence of antibodies to the FMD virus. After testing negative for the presence of antibodies (results processed by the official laboratory), the lambs' electronic identifiers were read before they were dispatched to the compartment. (Khan and Muzio, 2014)

When animals enter to the compartment and when they leave it for slaughter, their identification is checked by reading. The traceability of the lambs from their place of birth to slaughter is therefore certified by reading the electronic ear tags. When they reach live slaughter weight, the animals are transported in sealed vehicles to the meat processing plant approved for the purpose, where slaughter is reserved exclusively for them. (idem)

The site of the first compartment experiment (with 3,000 lambs) to generate knowledge to locally adapt the OIE's standard belongs to the SUL. The General Direction of Livestock Services (from MGAP) is the Health Authority to establish the health and biosecurity requirements and procedures for the development of the sheep compartment. Additionally, a person responsible from the OIE took part in the experiment in order to check that the country is offering the "necessary biosafety guarantees" required for the task.

Uruguay presented at the OIE's 82nd Annual (May 2014) Meeting a report about the procedure of sheep compartment in order to negotiate with scientifically based arguments the entrance to high quality markets. After that, at the request of Uruguay, the OIE audited the "health figure" free-FMD Sheep Compartment. The process consists of several stages: adequate sanitary requirements, productive system based on OIE's international standards; exhibit evaluation, on-site verification by OIE; approval and resolution of the ministry; compartment certification, and recognition of the compartment by member countries. The OIE audit found that the initiative was "designed, implemented and audited in accordance with the technical standards set by the Health Code of the OIE. Finally, last May 2015 at the OIE's 83rd Annual Meeting the Uruguayan compartment was endorsed by member countries and shortly it will be published and submitted to a 60 days' time-period to receive comments.

Today Uruguay is negotiating access with the sheep compartment to the U.S., EU, Mexican and Canadian markets. However, negotiations are more advanced with the U.S. as in December 2014 a technical mission from the U.S. Department of Agriculture (USDA) audited the compartment and went back with positive results.

In sum, the achievement to export meat sheep with bone from non-vaccinated animals that were raised in a country categorized as free-FMD with vaccination will be a victory of a science based standard. This will be possible because a renowned organism as the OIE has endorsed it and a serious animal sanitary system like the Uruguayan is carrying it up. However, without individual traceability of the sheep that compose the compartment this was impossible to achieve.

3.4. Local Public-Private Interactions in the Sheep Compartmentalization System

The Uruguayan sheep compartment was first proposed to the government by SUL and resulted in a public-private partnership between MGAP and SUL. SUL is a private public-interest organisation dedicated to sheep improvement and promotion and is directed and financed by Uruguayan sheep producers. On the other hand, SUL and MGAP coordinate the work to this particular sheep compartment with other public and private institutions such as INAC, INIA (National Agriculture Research Center) and the San Jacinto slaughterhouse.

SUL provides the land and animals, as well as infrastructure and qualified staff; MGAP provides veterinary technical services, certifies health and safety conditions and provides the management of individual electronic identification of sheep ; while INIA is developing lines of research related to the efficiency of the production of sheep meat and quality of feeding, as well as genetic factors; INAC promotes the compartment experience in importing sheep meat countries; finally, San Jacinto intervenes in the industrial process, the sanitary checking at this stage and the external commercialization of sheep meat.

According to Carlos Correa, the public-private collaboration is a Uruguayan feature that guarantees its success. In previous unsuccessful attempts to apply the OIE's compartmentalization general standard, like in Brazil or Thailand, there was not such collaboration. This partnership is central to achieve positive results, asserts former OIE's president. Otherwise it is difficult to ensure that the private sector or the public sector will fulfil its commitments, the former to produce according to bio-security standards, the latter to certify that these are complied.

3.5. The experimentalist governance architecture of the Sheep Compartment

As it was analyzed in the preceding sections, in the governance architecture of the sheep compartment there are several actors interacting at several levels (charted in the diagram below). The OIE set a general standard of compartmentalization through its global network modality, based on knowledge from experts located in Collaborating Centers and Reference Laboratories all over the world, as well as from its 180 country members. The OIE standards are recognized by the SPS Agreement (WTO); they result from collaborative work between the OIE and the Codex Alimentarius Commission to avoid gaps and duplications; and they also respond to the OIE-FAO-WHO's "One Health" agreement.



Several countries tried to apply the compartment concept, but none have advanced as Uruguay with the Sheep Compartment. The latter has succeeded because it is based on public-private collaboration where a private association of sheep producers is partnered with MGAP and INAC, as well as with the agriculture research institute (INIA) and a slaughterhouse. However, despite progress in negotiations, at this point there cannot yet be reported an importing country that has recognising the sheep compartment.

In sum, the governance architecture of the sheep compartment is multi-level and comprises the four elements that Sabel and Zeitlin (2011) find in the transformation of the international food safety regime into an experimentalist system. First, the OIE standard setting process involves stakeholders discussing on a broadly shared perception of a common problem and proposing a broad open ended framework for assessing achievements provisionally established by a combination of "central" and "local" units, in consultancy with relevant outside stakeholders. Second, local units are then given broad discretion to pursue these goals in their own way (Sheep compartment). In this case, the "local" units are private (sheep producers and public-private actors (SUL-INAC-INIA) slaughterhouse), and public authorities (MGAP) who have complete autonomy to design and implement the compartment (procedures, manuals. etc.). Third, Uruguay presents the case at the OIE's General Assembly and, after the completion of the OIE's audit; it is currently being endorsed by member countries. Nonetheless, regular reports from the sheep compartment implementation and the participation in peer reviews from the third element presented by the approach from Sabel and Zeitlin, as well as the periodical revisions of the compartment from the fourth element, did not take place yet. This is because the compartment is still in process to be endorsed by OIE's members. However, over time these elements are most likely to occur because they fit in the OIE's culture.

In conclusion, this case shows, as in the first one, how a less developed country with policy capabilities, such as electronic traceability and publicprivate collaboration, has the possibility to increase its national policy space in the context of the emerging experimentalist transnational governance regime in food safety.

4. Conclusions

The two case study analyzed above exemplify how a less developed country can increase its national policy space in the context of the emerging experimentalist transnational governance regime to food safety. They show that local proactive policies can be implemented by participation in the creation of regulations and standards or by the negotiation before standards are applied. Indeed, Uruguay has implemented policies that allow the country to adopt a "voice-instead-of-silence strategy" to shape the food safety standards according to its local specificities. Government institutions and managerial, technical, productive and scientific national capabilities were crucial to design and implement these policy strategies. At the same time, without the experimentalist feature of the global governance regime to food safety the creation of that kind of policy space would be hardly impossible.

However, the capability accumulation acquired by Uruguay is jeopardized by various elements. Apparently, the current TTIP negotiations between the U.S. and the EU are looking for the creation of a specific TRQ for hormone-free beef, similar as it has already been agreed by the CETA (between Canada and the EU). The new TTIP quota should substitute the existing 481/620 quota as it did in the case of the CETA quota. This possible evolution endangers the already achieved gains by Uruguay to access and comply with the 481/620 quota and the policy capabilities accumulation achievements. However, this is still an open ended issue that will evolve in the following years. Regarding the sheep compartment, the central challenge is that the potential importing countries will be able to modify their legislation to allow meat with bone imports. This has been already discussed with the U.S.'s and EU's animal health authorities; however the required legislation modification involves other actors (with

different perspectives and interests) and it may take more time and discussion inside each country. So it is also still an open ended issue.

In more general terms, Uruguay, such as the other less developed countries, has important vulnerabilities in order to make its voice herd in the international forums. For example, Uruguay has actively been involved with the Codex, but it has a quite passive role. There are government officials that follow all the issues that are related to the countries' interests and they assist to the periodical CODEX meetings, but Uruguay has a limited power to propose in this area. Concerning the Uruguayan participation in the WTO, Uruguay makes its voice to be heard with the limitations that a very small country has in these multilateral fora. On the one side, when there are issues that are related to its concerns, as for example the meat hormone dispute between the U.S. and EU, its voice is heard, as we referred above. But on the other side, there are not sufficient resources (human and monetary) to open a panel on a conflictive subject, so the general strategy is to accompany other groups of less developed countries, generally from Latin America on the subjects of interest. Finally, Uruguay has had an active role at the OIE. Its delegate for 30 years at the OIE was also a former president of the organization's General Assembly and has been at the origin of numerous initiatives that empowers the Uruguayan capability to influence the OIE norms. The sheep case that we presented above is a result of this.

Additionally, the potential of the WTO and Codex to destabilize the EU's internal decision process, as stated by Voss and Weiner (2013), is severely questioned on the ground of beef negotiations. The EU continues to invoke the precautionary principle in numerous issues which make stands apart from CODEX (for example, the EU requires systematically lower values than established by the Codex for the Maximum Residue Limits). This puts less developed countries in a vulnerable position, even those as Uruguay that do correctly all their "homework".

Thus, experimentalist global governance regimes bring new opportunities to Uruguay and to less developed countries to impact global regulations, as it was showed above through the two case studies. If experimentalist governance regimes are eventually predominant, without doubt it will improve the channels and mechanisms that ensure that the voices of the weak and vulnerable are heard in key decision-making forums. However, this can hardly happen if the less developed countries do not base their "voice-insteadof-silence strategy" in rigorous scientific and technical basis and the precautionary principals predominate to the scientific ones.

Bibliography

De Búrca G., Keohane R.and Sabel Ch. (2013). New Modes of Pluralist Global Governance, 45 N.Y.U. J. Int'l L. & Pol.

http://www2.law.columbia.edu/sabel/papers/de%20Burca,%20Keohane,%20Sabel .pdf

Henson, S. and Humphrey, J (2009). "The Impacts of Private Food Safety Standards on the Food Chain and on Public Standard-Setting Processes", paper prepared for FAO/WHO, Rome: Codex Alimentarius Commission. http://www.ids.ac.uk/index.cfm?objectid=7D8A984D-B119-7A24-4E28D9545EAA3B56

Hornsby D.J (2012). "The Perfect Storm: Risk Based Trade Dispute Emergence: the case of EU-Hormones", University of the Witwatersrand, South Africa, SECO / WTI Academic Cooperation Project Working Paper Series 3 / 2012, World Trade Institute Working Paper.

http://www.wti.org/fileadmin/user_upload/wti.org/7_SECO-WTI Project/Publications/WTI%20Working%20Paper%20-<u>%20Trade%20Conflict%20Hornsby.pdf</u>

Jaffee, S., and Henson, S. (2008). "Understanding Developing Country Strategic Responses to the Enhancement of Food Safety Standards", The World Economy, Volume 31, Issue 4, pages 548–568, April 2008. Article first published online: 11 JUL 2007, DOI: 10.1111/j.1467-9701.2007.01034.

http://onlinelibrary.wiley.com/doi/10.1111/j.1467-9701.2007.01034.x/abstract

Johnson R. (2015). "The U.S.-EU Beef Hormone Dispute", Specialist in Agricultural Policy, January 14, 2015, Congressional Research Service, Prepared for members and Committees of Congress, US Government.

https://www.fas.org/sgp/crs/row/R40449.pdf

Josling T., Roberts D., Hassan A. (2000). T"he Beef-Hormone Dispute and its Implications for Trade Policy", USDA

http://www.pf.uni-lj.si/media/beef.hormones1.pdf

Kahn S. and MuzioLlado F. (2014). "Implementation of the compartmentalisation concept: practical experience and perspectives", Americas, OIE Regional Commission.

http://www.oie.int/fileadmin/Home/eng/Publications %26 Documentation/docs /pdf/TT/2014 AME2 Kahn A.pdf

Pittaluga, L. (coord.), Rius, A. Bianchi, C. & González, M. (2013). "Meat traceability policy in Uruguay", non-edited long version from Pittaluga et al. https://www.academia.edu/5654658/Meat Electronic Traceability Policy in Ur <u>uguay</u>

Pittaluga, L. (coord.), Rius, A. Bianchi, C. & González, M. (2014). "Public-private collaboration for productive development policies, The case of Uruguay".IDB Working Paper Series, Washington D.C.

http://publications.iadb.org/handle/11319/6405

Sabel Ch. and Zeitlin J. (2011). "Experimentalist Governance", in David Levi-Faur (ed.), <u>The Oxford Handbook of Governance.</u> <u>http://dare.uva.nl/document/452166</u>

SabelCh.andZeitlinJ. (2011). "Experimentalism in Transnational Governance: Emergent Pathways and Diffusion Mechanisms", paper presented at the panel on "Global Governance in Transition", Annual Conference of the International Studies Association, Montreal, March 16-19, 2011

http://www2.law.columbia.edu/sabel/papers/experimentalismintransnationalgove rnanceISApaper%20(2).pdf

Vos E. and Weimer M. (2013). "The Role of the EU in Transnational Regulation of Food Safety: Extending Experimentalist Governance?",*GR:EEN Working Paper* No. 35. <u>www.greenfp7.eu/papers/workingpapers</u>

Interviews

- Three cattle ranches (Big, medium and small) at Cerro Largo, Melo (Uruguay). Juan Antonio Pérez, Emilio Reyes, Virginia Vaz and Pablo Beck.
- PULSA Slaughterhouseat Cerro Largo, Melo (Uruguay). Cesar Marquisa.
- Three cattle ranches from the network "Vaqueríadel Este" at Lescano, Rocha (Uruguay). Gerardo Evia, Anibal García and Marcos Ferrés
- Teresita Heinzen, National Residue Control Programme, Ministry of Agriculture (MGAP)
- HéctorLazaneo, Sanitary Status Slaughterhouses, MGAP
- Fernando Echegaray, 481 quota, MGAP
- Sergio Nápoli, Sanitary Status Cattle, MGAP
- Marianela González, Cattle Traceability, MGAP
- Felipe D'albora, GlobalG.A.P. and Natural Meat Program, Meat Institute (INAC)
- Ricardo Robaina, Hilton and 481 quota, INAC
- Gustavo Alves and Pablo Caputi, International Commercialization, INAC
- Martin Alvez, Economic Affairs, Uruguayan Embassy at the EU, Brussels
- Ramona Franco, Economic Affairs, Uruguayan Embassy at the U.S., Washington DC
- Jorge Bonino Sul ex- President, Sheep Compartment Coordinator
- Carlos Correa, former Uruguay's delegate at the OIE, and former OIE president

INSTITUTO DE ECONOMÍA

Serie Documentos de Trabajo

Octubre, 2015 DT 14/2015



Instituto de Economía

Facultad de Ciencias Económicas y de Administración Universidad de la República - Uruguay

02011 iecon.ccee.edu.uy | instituto@iecon.ccee.edu.uy | Tel: +598 24000466 | +598 24001369 | +598 24004417 |Fax: +598 24089586 | Joaquín Requena 1375 | C.P. 11200 | Montevideo - Uruguay