Development Policy in the New Millennium and the Doha ‘Development Round’

Kenneth W. Abbott*
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Abstract

The WTO Doha negotiations are often referred to as a “development round.” Yet that characterization is controversial, due to weaknesses in the Doha Declaration and limited progress in the early negotiations. This paper offers a comprehensive assessment of the Doha Round from the perspective of development policy. It draws on recent summit-level commitments on development, initiatives by development organizations, and policy analyses by scholars and NGOs. Together, these instruments establish a coherent and highly legitimate set of global norms on development. Trade negotiations like Doha are poorly suited to many aspects of development policy. Yet they can still make major contributions: e.g., by modifying trade rules that impede development, giving priority to issues of concern to developing countries (DCs), allowing DCs to implement market reforms gradually while developing appropriate social policies and institutions, and providing for full DC participation in WTO affairs. Thus, the WTO should not leave development policy to multilateral development banks and other specialized organizations, but rather should strengthen its collaboration with them to more effectively promote development. The paper identifies two schools of thought on reform of the trade regime among development specialists. (1) An ”enlightened standard view” emphasizes access to Northern markets for DC exports, especially in sectors like labor-intensive manufactures and agriculture; complementary policy changes within DCs (including market reforms and social policies); aid for trade and reform; and improved WTO participation. (2) A more critical view also calls for rebalancing TRIPs and other agreements, enhancing special and differential treatment (SDT), exempting DCs from inappropriate institutional requirements, and acting on important issues like food security and access to medicines. The Doha Declaration authorized negotiations on some issues in both groups, while giving unprecedented rhetorical prominence to development. However, it failed to act on
other issues, or did so only in limited ways, e.g., by requiring new DC concessions as the price of rule modifications. The first 18 months of negotiations have also been troubling: Stalemates on agriculture and other central issues have thrown the timetable of the Round into doubt, and governments appear reluctant to give concrete effect to the rhetoric of the Declaration, deadlocking on SDT, TRIPs and public health, and other development issues, mainly along North-South lines. The paper concludes by outlining strategies of political action that advocates might adopt to restore development concerns to the heart of the Round. These include hard bargaining at the Cancun ministerial meeting and in other settings, invocation of accepted norms and commitments, and public diplomacy.
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Asian Development Bank

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IN THE
NEW MILLENIUM
AND THE
DOHA “DEVELOPMENT ROUND”

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FOREWORD

Trade is a major engine for growth and a powerful tool for poverty reduction. The new round of multilateral trade negotiations launched in November 2001 in Doha, Qatar, offers great potential for developing countries through (i) increased market access and further liberalization of their own markets, and (ii) improved rules and procedures governing international trade. The new round is widely called a "development round" as it promises to place development at the heart of trade negotiations and ensure that the outcomes of the negotiations advance developing countries' interests and concerns. As a regional development institution, the Asian Development Bank (ADB) strives to help its developing member countries make the most of such new development opportunities by actively participating in multilateral trade negotiations.

The broad objective of ADB's research program on "The Doha Round and Development" is to promote policy dialogue on priority areas and identify information and positions that will more effectively advance developing countries' interests in the new round of multilateral trade negotiations. The program has three interrelated components aimed at (i) examining the agenda of the Doha Round in the context of ongoing debates on trade and development, (ii) assessing the development potential from trade liberalization (i.e., in goods and services), and (iii) addressing trade-related issues of relevance to the Doha Round and future negotiations under the World Trade Organization (WTO).

All the papers prepared under the research program will be disseminated through conferences and publications. We anticipate that these studies will enhance our understanding of the "Doha Development Agenda," and contribute to the efforts by the international trade and development communities to make the Doha Round truly a development round.
This paper by Prof. Kenneth W. Abbott is part of the research program. It offers a comprehensive assessment of the Doha Round from the perspective of development policy. While acknowledging that trade negotiations are poorly suited to many aspects of development, it argues that trade institutions can still make major contributions, as by removing impediments to development within trade rules and giving priority to issues of developing country concern. Thus, the WTO should not leave development policy to the multilateral development banks and other specialized organizations, but rather should strengthen its collaboration with them. The paper identifies two schools of thought on reform of the trade regime among development specialists: an “enlightened standard view” that emphasizes market access and domestic reforms, and a critical view that calls for rebalancing the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) and other agreements, special and differential treatment (SDT) for developing countries, and strong action on food security and access to medicines. The Doha Declaration authorized negotiations on some issues in both groups, but it failed to act on many others or did so only in limited ways. The first 18 months of negotiations are even more troubling: stalemates on agriculture and other central issues have thrown the timetable of the Round into doubt, and governments appear reluctant to give concrete effect to the rhetoric of the Declaration, deadlocking on SDT, implementation, TRIPS and public health, and other development issues, mainly along North-South lines. The paper concludes by outlining strategies of political action that advocates might adopt to restore development concerns to the heart of the Round.

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ABBREVIATIONS

AoA Agreement on Agriculture
ADB Asian Development Bank
ADM anti-dumping measure
CTD Committee on Trade and Development
DAC Development Assistance Committee
DC developing country
DDA Doha Development Agenda
ESV enlightened standard view
EU European Union
FAO Food and Agriculture Organization
GATS General Agreement on Trade in Services
GATT General Agreement on Tariffs and Trade
GSP Generalized System of Preferences
HIV/AIDS Human Immunodeficiency Virus/ Acquired Immune Deficiency Syndrome
IC industrialized country
ICTSD International Centre for Trade and Sustainable Development
IDO international development organization
IF Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries
IIISD International Institute for Sustainable Development
IPR intellectual property right
LDC least-developed country
MDB multilateral development bank
NGO nongovernment organization
NTB non-tariff barrier
OECD    Organisation for Economic Co-operation and Development
PRC    People’s Republic of China
SCM    subsidy and countervailing measure
SDT    special and differential treatment
SSG    special safeguard mechanism
TA    technical assistance
TOT    transfer of technology
TRIPS    Trade-Related Aspects of Intellectual Property Rights
UN    United Nations
UNCTAD    United Nations Conference on Trade and Development
US    United States
WHO    World Health Organization
WTO    World Trade Organization

Note: In this report, $ refers to US dollars.
EXECUTIVE SUMMARY

The Doha negotiations are often referred to as a “development round.” Yet that characterization is controversial, due to weaknesses in the Doha Declaration and limited progress in the early negotiations. This paper offers a comprehensive assessment of the Doha Round from the perspective of development policy. It draws on recent summit-level commitments on development, initiatives by development organizations, and policy analyses by scholars and nongovernment organizations. Together, these instruments establish a coherent and highly legitimate set of global norms to guide future actions.

Traditional trade negotiations are poorly suited to many aspects of development policy. Yet trade policy and institutions like the World Trade Organization (WTO) can still make major contributions: removing trade rules that impede development; placing a high priority on trade issues of concern to developing countries (DCs); allowing DCs to implement market reforms gradually and to develop appropriate social policies and institutions; and guaranteeing full DC participation in WTO affairs. The WTO should not leave development policy to development banks and other specialized organizations, but rather should strengthen its collaboration with them to more effectively promote development.

Development policy contains two major schools of thought on trade reform:

The “enlightened standard view” emphasizes increased access to Northern markets for DC exports, especially in sectors like labor-intensive manufactures and agriculture where the barriers are high and the potential payoffs great; increased access to other DC markets; complementary policy changes within DCs, including both market reforms and social policies; aid for trade and domestic reform; and improved DC participation in WTO governance.

Critical views go further. They also call for rectifying imbalances in WTO agreements like the Agreement on Trade-Related Aspects
Intellectual Property Rights (TRIPS) and the General Agreement on Trade in Services; reframing “reciprocity” to reflect different levels of development; enhancing special and differential treatment (SDT) for measures to promote development; exempting DCs from inappropriate domestic institutional requirements; and acting on crucial issues like access to medicines and food security.

The Declaration authorized negotiations on some of these issues, especially market access, aid for trade, SDT, and the “implementation agenda,” while giving unprecedented rhetorical prominence to development. But it failed to address other issues, including DC domestic reform, imbalances in agreements like TRIPS, institutional requirements, and WTO governance. It required new concessions for most actions on SDT and implementation, and left issues like technology transfer to soft procedures.

The first 18 months of negotiation are even more troubling, in spite of promising proposals in areas like food security and market access for least-developed countries. Negotiators have deadlocked on major subjects, notably agriculture (market access, domestic support, and export subsidies) and contingent protection, throwing the timetable of the Round into doubt. Negotiators also appear reluctant to give effect to the development commitments in the Declaration. Discussions on SDT, implementation, TRIPS and public health, and other important subjects are stalemated, primarily along North-South lines.

DCs and development advocates must engage in focused political action to restore development concerns to the heart of the Round. Two political strategies are available. First, advocates can engage in hard bargaining. The best opportunity will come at the Cancun Ministerial in September 2003, where industrialized countries will seek a mandate for negotiations on the Singapore issues (investment, competition, trade facilitation, and transparency in government procurement). Bargaining can turn on norms and principles as well as trade-offs: here advocates must seek to persuade Northern governments to implement the development commitments they so solemnly endorsed around the
turn of the Millennium. Second, advocates can engage in public diplomacy, appealing to wider publics to garner support for development initiatives. Advocates must demonstrate to concerned citizens in the North how development can benefit them, and must mobilize public pressure on Northern governments to fulfill their development commitments. The ADB’s research program on the Doha Round and Development can play a significant role in stimulating public discussion.
INTRODUCTION

The Doha Round of trade negotiations under the World Trade Organization (WTO) is often characterized as a “development round.” Launched in November 2001, the Round has been paralleled by increased attention to development issues in the rhetoric of the WTO and in its operations, especially in the area of technical assistance. A sustained turn to development in the trade regime would be especially beneficial for Asia, where some 900 million people live on less than $1 per day.

Yet characterizing Doha as a “development round” is controversial. Critics note that many developing country (DC) initiatives (e.g., proposals for a “development box” in the WTO Agreement on Agriculture [AoA] and for duty- and quota-free market access for products of least-developed countries [LDCs]) were either rejected or addressed only in hortatory form in the Ministerial Declaration adopted at Doha (Declaration) (reprinted for convenience in Annex 1 [WTO 2001b]). On a number of other issues the “Doha development agenda” (DDA) does address DC concerns (e.g., special and differential treatment [SDT] and the implementation agenda). Even here, however, much of the Declaration’s promise has faded during the first 18 months of negotiations, which have seen repeated stalemates on important issues between DCs and industrialized countries (ICs). Critics assert that the “development round” label is mere rhetoric, or worse (e.g., Public Citizen 2002).

This paper assesses the DDA from the perspective of development. It is neither feasible nor appropriate to review here the full range of debates over development. However, in order to assess the potential contributions of the Round to “development,” it is essential to move beyond trade policy as such and examine the insights of development policy.

The past decade has produced a remarkable flowering of development policy initiatives. These provide clear criteria for assessing the DDA and progress in the Round. I draw on recent sources in three categories:

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summit-level commitments to combat global poverty;

(2) policy initiatives by international organizations with a development mandate, including the multilateral development banks (MDBs), other international development organizations (IDO)s like the United Nations Development Programme, and specialized bodies like the Food and Agriculture Organization (FAO); and

(3) analyses by development theorists and nongovernment organizations (NGOs).

Many of these instruments focus explicitly on the relationship between development and trade. While none is legally binding, together they constitute a coherent and legitimate set of global norms on development, solemnly endorsed at the highest levels of government.

Part I of the paper summarizes recent international commitments and policy statements on development. Part II explores the focus on poverty reduction, and the complex views of poverty and its causes, that characterize modern development policy. The final section of Part II considers the implications of these views for development policy, and outlines the complementary roles that IDO}s and trade institutions like the WTO can play.

Part III summarizes features of the international trade regime that development advocates most frequently criticize. Part IV lays out two schools of thought on reform of the trade regime: an expanded version of what Dani Rodrik calls the new “enlightened standard view” and a more aggressive critique. Both emphasize changes in traditional trade policy as well as more far-reaching reforms. Part V assesses the DDA and the early stages of the Round from these perspectives, highlighting elements that development advocates in Asia and other regions should emphasize or seek to change. The Conclusion summarizes the findings in the paper and suggests political strategies for the remainder of the Round.
I. A NEW PROMINENCE FOR DEVELOPMENT POLICY

Development policy moved near the top of the international agenda around the turn of the Millennium.

- United Nations (UN) agencies sponsored a series of world summits on aspects of development. Heads of state and government adopted detailed (though not legally binding) commitments, declaring that “poverty in all its forms is the greatest challenge to the international community.” Most prominently, the Millennium Development Goals set ambitious poverty reduction targets.
- Scholarly and popular writings by academic and policy specialists and campaigns by prominent NGOs like Oxfam – as well as highly publicized protests against the negative and uneven effects of globalization – stimulated wide public debate.

The reasons for this attention are easy to identify. Shocking statistics on global poverty – with 1.15 billion people (most of them in Asia) living on less than $1/ day, and nearly half the world’s population on less than $2 – focused public attention. The scale of poverty was dramatized by contrast with the promise of globalization. The HIV/AIDS pandemic and regional conflicts threatened to magnify the development crisis. The terrorist attacks of September 11, 2001 and their aftermath have distracted leaders and publics from these concerns. Yet thoughtful people still recognize that poverty and inequality produce social tensions that translate into support for radical governments and terrorism.

1 The Millennium itself, with its links to religious and humanitarian traditions of charity, provided a focal point for public attention.
2 Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome.
Political undertakings should not be confused with concrete programs, let alone with results. Yet the profusion of development commitments provides a powerful political and normative backdrop to the Round. In the Millennium Declaration, leaders pledged to “spare no effort” against poverty and to make the “right to development” a reality for all, pledging to halve extreme poverty by 2015. World leaders have regularly reiterated this goal, most recently at Johannesburg in 2002. At the 2002 World Food Summit + 5, leaders renewed a parallel commitment to halve the number of hungry people by 2015. At the 2002 Monterrey conference on financing for development, leaders undertook to make the 21st century a period of “development for all,” addressing social and economic development in advancing to a “fully inclusive and equitable global economic system.”

II. A COMPLEX VIEW OF “DEVELOPMENT”

A. Development and Poverty

The reduction of poverty, especially extreme poverty, is now accepted as the central goal of development policy. But “poverty” is understood to be more complex than “low income;” it has multiple dimensions and its persistence has multiple causes. The ADB Strategy notes “universal agreement” that poverty transcends low income. The Development Assistance Committee (DAC) Guidelines for Poverty Reduction of the Organisation for Economic Co-operation and Development (OECD) similarly see poverty as “multidimensional” and undertake “to fight poverty in all its dimensions.” The complexity of the modern view is reflected in the phrase “human development.” Among the many facets of “poverty,” the following stand out:

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1 These global commitments have been echoed in regional forums. For example, ADB (1999) declares: “Poverty is an unacceptable human condition…. Public policy can, and must, eliminate poverty.”

2 The DAC is designed to coordinate and improve the development assistance programs of OECD member states, and draws primarily on their experience. However, in preparing Guidelines, the DAC draws on IDOs and individual experts, including some from DCs.

3 Even “human development” does not fully encompass the relationship between development and the environment, highlighted in the term “sustainable development.” Sustainability has also been the subject of high-level global commitments, notably at the 1992 Rio conference on environment and development and the 2002 follow-up conference at Johannesburg, and in many of the instruments considered here.

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1. **Limited economic opportunity.** The poor not only have low incomes and assets; they face limited opportunities to increase their wealth. As a result, development policy cannot merely stimulate economic growth; it must promote sustained pro-poor growth. To do this, policy must guarantee the poor property rights, access to productive assets, and social arrangements that allow them to participate in economic opportunities. Market-oriented reforms are essential, but they must be undertaken with care to ensure that they benefit the poor (e.g., by providing jobs at appropriate skill levels and in appropriate locations), reflect local conditions, and are buffered by social safety nets.

Residents of the LDCs face unique constraints. The United Nations Conference on Trade and Development (UNCTAD) describes LDCs as caught in a self-reinforcing “poverty trap,” resulting mainly from their dependence on primary commodities, that causes extreme, pervasive poverty to persist. Such conditions demand special measures.

2. **Multiple deprivations.** In addition to its economic aspects, “poverty” encompasses a number of distinct deprivations, including hunger and malnutrition, unsafe water, poor sanitation, disease, and inadequate education. The Millennium Development Goals, the ADB Strategy, and other instruments recognize that development policy must include focused responses. These can be most effectively provided through, or in cooperation with, specialized bodies like the FAO and World Health Organization (WHO).

3. **Constrained choice and power.** Poor people (and their governments) are relatively powerless, facing severe limits on freedom of choice and action in all walks of life. Public policy is more likely to be pro-poor if the poor participate actively in shaping it. Thus, “governance,” domestic and international, has become a major focus of development.
Although not identified as a “pillar,” the ADB strategy also calls for addressing the development implications of environmental problems and the environmental implications of anti-poverty strategies.

4. Vulnerability. The poor are vulnerable to shocks of all kinds, including economic upheavals, natural disasters, outbreaks of disease, and upsurges of violence. Development policy must address the “downside” of vulnerability, through safety nets and other social protections, as well as the “upside” of economic opportunity.

5. Inequality. Discrimination and unequal treatment on the basis of racial, ethnic, gender, and other differences heighten all the dimensions of poverty for those affected.

While these phenomena are characteristics of poverty, they also reflect the multiple causal factors - economic, political, and social - that contribute to its persistence.

B. “Poverty” and Development Policy

What policies are needed to attack the complex phenomenon of poverty? Development specialists and IDOs agree that effective development strategies must be comprehensive. Almost all now accept that market reforms, trade, and competition are essential to provide opportunities for pro-poor growth and address other problems. But market reforms must be shaped and supported by innovative policies and institutions in a range of issue areas.

The 1999 ADB Strategy incorporates a comprehensive approach aimed at producing “socially inclusive development.” It includes three main “pillars:” 6 (a) sustainable, pro-poor growth, coupled with policies to mitigate inequality; (b) social development; and (c) good governance, including sound macroeconomic policy. The DAC

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6 Although not identified as a “pillar,” the ADB strategy also calls for addressing the development implications of environmental problems and the environmental implications of anti-poverty strategies.
Guidelines add that global policies on economic, governance, social, and environment reform must be coherent and mutually reinforcing.

Similarly, the World Bank’s World Development Report 2000/2001 endorses a three-pronged strategy:

(a) enhance economic opportunity: stimulate pro-poor economic growth; build the assets of the poor; introduce market reforms that reflect local conditions; and create safety nets to protect market losers;

(b) empower the poor: guarantee access to markets and social services; promote institutional accountability and political participation; and eliminate institutional and social barriers to participation by disfavored groups; and

(c) enhance security: reduce the vulnerability of the poor to shocks.

C. Development and Trade Policy

If development policy is to be comprehensive, encompassing measures to stimulate economic growth and sound social and governance policies, “trade” and “development” can no longer be isolated, intellectually, politically, or institutionally. The DDA suggests that the trade community has recognized the need to integrate these fields. Yet the many criticisms of WTO policies indicate that this integration is far from complete.

What role can trade policy and institutions play in development? The traditional mode of operation in the General Agreement on Tariffs and Trade (GATT)/WTO is the exchange of “concessions,” as in negotiations on tariffs and “specific commitments” under the General Agreement on Trade in Services (GATS). A more recent mode is the adoption of rules and procedures that all member states must implement domestically, such as the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). As Finger (2002) observes, neither approach is well suited to address development

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7 The concept of sustainable development requires a similar integration of economic and environmental policy (Abbott 1996a).

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problems, which involve multiple issues, vary across countries, and require operational programs and distinct forms of expertise as well as significant resources.

Yet trade policy can make valuable contributions to a comprehensive development policy, even beyond its direct role in stimulating economic growth and its important indirect role in weakening concentrations of economic and political power.

First, trade institutions can reduce or eliminate impediments that current trade rules and commitments pose to pro-poor growth, appropriate social protections, responses to shocks, food security, health programs, and similar development initiatives.

Second, it can ensure that issues important to DCs and LDCs are given the same priority as issues of concern to ICs. Examples include enhancing returns from LDC commodity exports and providing intellectual property protection for traditional knowledge.

Third, it can provide flexibility, through SDT, transitional rules, and other devices, for DCs to gradually implement market reforms, install social safety nets, and design policies and institutions attuned to local conditions. Trade institutions can support such measures through technical assistance (TA) and other approaches. To monitor national policies and contain moral hazard, they can adapt procedures like the Trade Policy Review Mechanism and collaborate with IDOs and other actors with superior local knowledge.

Fourth, trade institutions can apply the lessons of governance reform, ensuring that their own procedures allow for full participation by DCs to represent the interests of their populations. Trade institutions can also support domestic governance reform.

Fifth, and most general, trade institutions can become advocates for development, in their own operations and in other national and international arenas.

None of these actions requires trade institutions to transmute themselves into wholly different organizations. Yet some require them
to consider relatively unfamiliar norms and types of information, and to address issues at the margins of their traditional mandate. To do so effectively, trade institutions should actively draw on the epistemic community of development specialists.\(^8\) They should significantly strengthen their collaboration with MDBs, other IDOs, and other key actors in the development community, notably transnational and local development NGOs.\(^9\)

These organizations are deeply familiar with the norms of development policy embodied in recent international instruments. IDOs possess superior information and expertise on issues such as impediments to pro-poor growth, social protections, commodity trade problems, increases in supply capacity, and economic policies responsive to local conditions. Their expertise is country-specific as well as general. They also possess a major structural advantage: networks of knowledgeable field personnel working in DCs.

Trade institutions could draw on these strengths in many ways. In authorizing SDT and monitoring its use, they could utilize information about national circumstances and policies collected by IDOs, NGOs, and even business firms. In negotiating market access, they could phase in liberalization commitments based on information about DC progress toward food security or supply capacity provided by bodies like FAO and ADB. In developing behind the border rules like those in TRIPS, they could consult with organizations like WHO and FAO to ensure that proposed rules will not retard health, food security, or other facets of development.

Collaboration with trade institutions would also enhance the work of IDOs. It would provide them early, superior information on trade problems of DCs, trade opportunities emerging from negotiations, potential disputes, and the like. This would help IDOs focus attention and resources on areas of change and opportunity. Collaboration would

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\(^8\) The concept of an “epistemic community” is a network of individuals and organizations united by common forms of knowledge (Haas 1992).

\(^9\) The WTO has entered into formal collaboration with a number of IDOs, mainly to provide TA. Examples include the Integrated Framework for Trade-Related Technical Assistance, the Joint Integrated Technical Assistance Program for African Countries, and an April 2003 Memorandum of Understanding with UNCTAD.

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also improve IDOs’ understanding of trade rules and procedures. Due to past failures of collaboration, IDOs may have required DCs to forfeit some of the flexibility in WTO rules, unnecessarily constraining development policies (International Centre for Trade and Sustainable Development [ICTSD]/International Institute for Sustainable Development [IISD] 2003). With closer collaboration, they could help DCs comply and participate in the most favorable way. Finally, collaboration would improve the coordination of financial assistance and TA with current needs.

III. OBSTACLES TO DEVELOPMENT IN THE WTO

Virtually every recent development instrument identifies features of the international trade regime as obstacles to development and poverty alleviation. Organizations that on the whole support globalization and market reforms, like the MDBs, and groups that are more skeptical, like Oxfam, advance similar criticisms, although the skeptics interpret them more negatively. This section summarizes the principal concerns.

A. Market access, DC manufactures exports

Although most DCs have diversified into manufactures, these products face high barriers abroad. DC exports face higher average tariffs than IC exports both in ICs and in other DCs; they also face tariff peaks and non-tariff barriers (NTBs). The obstacles are highest precisely where DCs have the greatest comparative advantage and where trade would have the greatest impact on poverty: labor-intensive, low-skill manufactures. At the same time, tariff escalation constrains DCs from moving up to higher value-added production.

Textiles and clothing remain highly protected. The Uruguay Round Agreement on Textiles and Clothing allows “back-loaded” quota liberalization. Importing countries can select which products to liberalize at each stage. Because they typically select the least competitive

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10 For example, Oxfam charges that imbalances in WTO obligations exacerbate fundamental causes of poverty to the point of undermining the legitimacy of the trade regime.
categories, “lumpy” liberalization will be required in the final stages if WTO members are to comply with the agreement. DCs fear that this will lead to calls for delay or the substitution of contingent protection for quotas. Textile tariffs also remain high.

Preferential access schemes like the Generalized System of Preferences (GSP) provide limited benefit. Tariff reductions have eroded preference margins. GSP benefits are also limited by rules of origin and graduation rules, and by NTBs. Time-limited preference authorizations reduce incentives to invest in reliance on preferences.

B. Market access, DC agricultural exports

IC tariffs on agricultural products are double those on manufactures, and include many peaks. Here DCs face lower average tariffs than IC exporters, because tropical products are not highly protected, but exporters of temperate products still face high barriers. DC exports again face higher average tariffs in other DCs. The AoA required tariffication of quotas, but this has led to high equivalent rates, only modestly alleviated by a system of tariff-rate quotas. Here too, tariff escalation limits moves to higher value-added products.

Government support for agriculture remains high in ICs, animated by emerging rationales like “multifunctionality” and the continuing influence of farm interests. ICs may continue such support under exemptions in the AoA, like the green and blue “boxes” tailored to existing programs. Domestic support displaces DC exports to subsidizing countries and to third markets. The recent United States (US) farm bill, which significantly increases support, will worsen the situation in the near term. The US could use this law as a bargaining chip in the Round, but this outcome is uncertain and its effects would not be felt for some time.

11 As Finger (2002) points out, many DC exporters have been receiving scarcity rents, in the form of higher prices, from the continued existence of import quotas. However, this benefit is not shared by firms shut out of foreign markets when quotas are filled, or by firms and countries prevented or deterred by quotas from entering or expanding in the sector.

12 The US farm bill appears not to have been adopted with this goal in mind, but rather for more traditional electoral and political ends. Among the latter, the bill may have been part of a deal to obtain Congressional support for trade promotion authority, allowing the Executive branch of government to participate in the Round and other trade negotiations, like those leading to the recent free trade agreement with Singapore.

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C. Market access, DC services exports

Services constitute the fastest growing sector in DCs. However, DCs’ main comparative advantage is in labor-intensive services like construction. GATS created largely symmetrical obligations for capital- and labor-intensive services: with some exceptions, all sectors and modes of provision are subject to the same general rules and system of negotiated specific commitments. In practice, though, few ICs have been willing to accept significant numbers of low-skilled service workers. The possibility of a grand North-South services bargain, then, has not been realized. Heightened concerns for security following 9/11 will only increase IC reluctance to liberalize.

D. DC import issues, agriculture

OECD countries spend over $1 billion a day on agricultural support, most of it in the European Union (EU), Japan, and US. Across the OECD, support makes up 40% of farm income, the same as in the mid-1980s. While many support programs are now linked to farmer incomes, production cutbacks, environmental compliance, and other relatively benign activities, they continue to stimulate massive overproduction, much of which must be diverted to world markets, often on a subsidized basis (Priyadarshi 2002).

Subsidized and low-priced exports can benefit net food importing DCs, especially in the short term. But they can also have serious adverse effects. Agriculture is the dominant way of life for many DC populations, and a major source of foreign exchange. Low import prices and import surges can devastate small farmers and local markets. This hampers development strategies based on small-holder agriculture and rural growth, and worsens urban problems by forcing migration to cities. Many DCs cannot adequately protect local food producers because they bound tariffs on staple crops in the Uruguay Round, and because they do not qualify for the special safeguard measure in the AoA.
E. DC import issues, services

Services imports can stimulate development and satisfy consumer demand. Most services liberalization in DCs has stemmed from these considerations. However, development policy suggests that liberalization must be handled with care. If local firms are to retain a share of the market, governments may need to eliminate barriers to local entry and strengthen local firms to compete with foreign entrants. In addition, regulation of service providers is essential in many sectors to guarantee the poor equal and adequate access, for economic and social reasons; however, DCs often lack regulatory capacity.

These concerns are reflected in the debate over opening public services like drinking water to private foreign providers. Critics voice concern that such providers might not be required to guarantee affordable access for the poor, and that many DC governments could not monitor and enforce such guarantees even if they were given. Yet poor people in many DCs already suffer from inadequate access to water and similar services, as well as discriminatory pricing. Private provision could improve service and discipline public agencies through competition. Different settings may require different arrangements.

F. Intellectual property issues

Development advocates criticize TRIPS more strongly than any other WTO agreement. First, TRIPS shifts the balance of benefits from intellectual property rights (IPRs) strongly in favor of ICs, where the vast majority of intellectual property is produced. TRIPS will result in higher prices for technological inputs, transferring significant rents from South to North.

Second, TRIPS imposes a “one size fits all” model of domestic IPR rules and institutions, albeit with some flexibility. In the long term, appropriate IPRs can help DCs stimulate investment and innovation, at least given sound policies in other areas. But IDOs argue persuasively that different forms of IPR protection are appropriate for countries at different stages of development.

11 The WTO argues that this is a false issue, since GATS exempts services provided by governments. However, this exemption would disappear if such services were wholly or partially privatized.
14 Finger (2002) notes that the agreement itself provides some flexibility, and more is available in practice.
Third, the domestic institutions and procedures TRIPS requires can impose high costs on DCs. Investment in IPR administration diverts scarce public funds from more pressing development needs. Advocates level similar criticisms at other WTO agreements that (would) require domestic institutions based on IC models, such as the Customs Valuation Agreement and the proposed agreement on trade and competition policy.

Finally, critics raise several specific concerns. The most pressing problem is to ensure that IPRs do not block affordable access to medicines in DCs suffering from HIV/AIDS and other major health threats. Apart from their human cost, these epidemics act as a major drag on development (WHO 2001). The Doha Declaration on the TRIPS Agreement and Public Health (TRIPS Declaration) did much to address the problem. As this is written, however, negotiations to extend the TRIPS Declaration have deadlocked. Another problem is lack of protection for genetic information in plants and other living things, and more broadly for indigenous, often collective knowledge. Some say this issue should not be on the WTO agenda because it is not “trade-related.” Yet the problem is precisely that multinational firms seek to acquire such knowledge in order to produce tradable (and IPR-protected) products, without sharing the benefits.

G. Reciprocity

Development specialists argue that it is difficult to address development in a system based heavily on reciprocal concessions and on uniformly applicable rules and administrative requirements. The rules of the WTO do include numerous provisions granted SDT during negotiations and to some extent in the application of rules. Still, a fundamental commitment to reciprocity and universal application leads trade institutions to downplay large differences in capacity, resources, and power among states. This can lead to serious rule imbalances that can hamper development, as in the case of TRIPS.

15 These undertakings typically take the form of “time-limited derogations from the rules, with more favourable treatment regarding tariff and subsidy reduction commitments, thresholds in the application of countervailing measures, and limited policy flexibility for specific obligations” (ICTSD/IIISD 2003k, 1).
DCs viewed the SDT provisions in WTO agreements as consideration for accepting intrusive new rules in areas like IPRs, services, and investment. They expected that SDT would provide greater access to IC markets and policy flexibility at home. However, while the basic rules are legally binding and subject to the WTO dispute settlement system, most SDT undertakings are neither mandatory nor legally enforceable, and hence did not produce the anticipated benefits. DCs have also identified numerous other “imbalances” in WTO agreements, collected in the implementation agenda. Both of these issues are part of the DDA.

H. Participation and governance

It is widely agreed that WTO governance does not afford DCs sufficient participation and influence, although the organization has made significant strides on “internal transparency” and participation. Advocates raise three major concerns. First, many DCs lack the resources and administrative capacity to process information on the range of complex issues handled within the WTO, while dealing with development and the demands of other regimes. This limits their ability to frame goals, negotiating strategies and positions, respond to proposals, litigate disputes, and implement complex agreements. Second, some LDCs lack representation in Geneva, although the WTO has developed programs to help them compensate. Finally, ICs still dominate WTO decision-making, even when DCs participate.16 The Doha ministerial included some procedural reforms, but these have not allayed the concerns of DCs or NGOs.17

IV. POLICY RESPONSES

A. The “Enlightened Standard View”

The political economy insights reflected in current understandings of “poverty” and the perceived failings in international trade policy lead development specialists and IDOs to advocate

16 Steinberg (2002) has recently analyzed how powerful states can control decision-making in a system formally based on consensus.
17 See, e.g., Oxfam International (2003), which criticizes the “non-transparent and exclusive meeting” of trade ministers to discuss agriculture negotiations and other issues.
significant reforms, even as they accept the importance of trade and markets. One set of recommendations – what Rodrik (2001)\textsuperscript{18} calls the “enlightened standard view” (ESV) – has achieved near-consensus status in development circles.\textsuperscript{19}

1. Increasing market access in ICs

In the ESV, it is essential to expand access to IC markets by reducing tariff rates, peaks, and escalation, and NTBs. To the extent politically feasible, negotiations should focus on sectors where the development payoff is greatest: (i) labor-intensive manufactures; (ii) textiles and clothing (including “clean” integration in 2005, tariff reductions, and no substitution of contingent protection); (iii) temperate agricultural products (including reductions in domestic support); and (iv) labor-intensive services.

At the same time, ICs should make market access more predictable by limiting contingent protection, especially anti-dumping measures (ADM), and harmonizing and liberalizing rules of origin. They should continue special efforts to enhance access for LDC exports, ideally through the “everything but arms” approach introduced by the EU in 2001. In addition to expanding total LDC exports, this approach would mitigate distortions created by product restrictions in the GSP and other preference schemes.

2. Complementary DC policies

The ESV calls for reforms of DC policies and institutions that fall outside the traditional ambit of trade policy. These reflect the conviction that trade and market reforms must be shaped and supported by complementary social and economic policies. The suggested reforms are intended to help the poor take advantage of economic opportunities, address their deprivations, and make governance more responsive. Suggested reforms include:

\textsuperscript{18} In Rodrik’s formulation, the ESV includes only the first two elements described here. However, the other elements are so widely accepted they can also be considered part of the ESV.

\textsuperscript{19} In Rodrik’s view, the ESV replaces the earlier “Washington Consensus,” with its more unconditional emphasis on privatization and liberalization.
a. bringing disadvantaged groups into the workforce and increasing labor mobility;

b. diversifying production and expanding capacities to respond to market opportunities, through “hard” (internal transportation, ports) and “soft” (drawback and tax rebate systems, export financing, marketing) policies;

c. developing rural communities by clarifying property rights, reforming land tenure, strengthening credit and infrastructure, and increasing the voice of the rural poor;

d. enhancing social protections, including adjustment periods, social safety nets, and retraining programs for transitional losers from liberalization;

e. improving the regulatory climate by introducing sound macroeconomic policy, removing obstacles to trade like overvalued exchange rates and export restrictions, strengthening prudential regulation, enforcing property rights, and controlling corruption;

f. addressing deprivations like hunger, disease, and poor education;

g. eliminating social barriers like ethnic and gender discrimination; and

h. expanding human rights and the rule of law.

A good example of this reform program is the 1999 ADB Poverty Reduction Strategy (ADB 1999, 6-8). The ADB calls on DCs to adopt comprehensive poverty reduction strategies designed to encourage labor-intensive growth and advance social development. Governments are to promote social development through policies designed to develop human capital, improve social services, enhance social protection, eliminate discrimination, build social capital including enhanced participation by the poor, and control population growth.
Most domestic reforms must be supported primarily by MDBs and other IDOs, which can deploy local staffs, country-specific programs, and financial resources. Yet trade policy can also play a role. Its most important contribution would be to eliminate impediments to reform. For example, trade negotiators could modify the AoA to constrain IC support for agriculture and authorize DC safeguards, facilitating efforts to develop rural areas and provide food security. They could create flexibility under TRIPS for DC policies aimed at diversifying production and employing low-skill workers. They could provide generous transition periods for new commitments, allowing the poor adequate time to adjust. They could provide DCs flexibility to respond to shocks, protect transitional losers, and design innovative social protections. They could ensure that new institutional requirements do not divert resources from development, and require major resource commitments only when adequate financial assistance is available.

Collaboration between trade and IDOs would enhance the ability of both groups to promote domestic reform. Ex ante, trade institutions could draw on the normative, programmatic, and country expertise of IDOs to shape trade rules and institutional requirements, and to authorize SDT, safeguards, and other DC interventions. Ex post, they could draw on such knowledge and local staff networks to monitor DC interventions and transitions. IDOs could gain information about emerging opportunities and commitments, so they can develop more focused, timely programs and marshal resources. Collaboration would help both groups match trade commitments with financial assistance and TA, through devices such as “implementation audits.”

3. Increasing market access in DCs

Development advocates most often criticize IC trade restrictions, but DCs also maintain high barriers to exports from other DCs. Greater access to fast-growing DC markets would contribute significantly to development. The difficulty lies in enhancing access to DC markets while facilitating development and social protections in

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20 Such reforms are already central to the policies of IDOs. Even for them, however, the scale and complexity of the reforms proposed in the ESV are daunting.
those markets. For example, many DCs still rely on tariffs for a large percentage of government revenues, and lack administrative capacity to substitute other sources. Again, collaboration between trade institutions and IDOs could prove fruitful in addressing these problems.

4. Aid for Trade and Reform

The ESV calls for expanded international assistance to help DCs make the structural and policy changes needed for sustained economic growth, progress against poverty, and compliance with international rules. Both financial assistance and TA are required. It is also essential that donors not offset new commitments against current aid programs.

ESV advocates support three major types of assistance:

(a) “soft aid for trade,” to help DCs participate more fully in the trading system. Soft aid includes support for policy analysis and participation in negotiations, dispute resolution, and other procedures. It includes building capacity to implement trade rules, related programs like drawback and international standard setting. For many advocates it also includes support for domestic debates on trade and development, to encourage considered assessments of national needs and “ownership” of international commitments.

(b) “hard aid for trade,” to support product diversification, moves to higher value-added products and creation of supply capacity to take advantage of export opportunities, and to improve trade infrastructure. Export credits can play a role here, although such programs sometimes focus on export promotion at the expense of borrowers’ development needs.

21 Development advocates argue that international standards institutions (some of which are given legal standing in the trade regime through the Agreements on Sanitary and Phytosanitary Measures and, to a lesser extent, Technical Barriers to Trade) tend to reflect the positions of ICs on standards and on related procedures such as conformity assessment. This has a dual negative impact on DCs, which lose market opportunities until they can come into compliance with international standards and must invest greater resources to do so.

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(c) “aid for reform,” to support the domestic policy reforms essential to development. Here too IDOs must take the lead, as trade institutions lack the resources for financial commitments like these. Yet the substance and timing of IDO assistance could be enhanced through collaboration with trade institutions. In addition, the WTO is now an active provider of TA, mainly “soft aid for trade.” Development advocates urge it to expand such assistance and extend it to aid for reform, continuing to marshal resources from member states and other sources in innovative ways.

5. WTO Governance Reform

Since Seattle, the WTO has made significant strides in enhancing internal transparency and participation. Proponents of the ESV, however, urge additional reforms, on much the same pro-poor rationale that leads them to support domestic governance reform.

B. Critical Views

Some scholars and NGOs recommend deeper changes in the international trade regime. These critical positions rest on twin normative foundations. The first is a harsh evaluation of the current system from the perspective of development. Critics charge that the overall structure of WTO obligations and many specific rules are fundamentally imbalanced. Put another way, while some observers argue that only since Doha has the trade regime aimed at redistribution as well as efficiency (Gerhart 2002), the severest critics argue that the system has always promoted redistribution: from DCs to ICs! The second foundation is a desire to reorient the trade regime toward development and poverty alleviation. The WTO Agreement recognizes that trade is not an end in itself, but a means to higher living standards and sustainable development (GATT 1994, 9). To achieve these goals, critics argue, the regime must be restructured around the goal of

22 It should be noted that the “critical” positions discussed here are quite moderate within the spectrum of economic ideologies; they do not include Marxist, neo-colonial, dependency, or similar radical positions.
equitable human development (Rodrik 2001; Oxfam 2002; Third World Network 2001).

In such a system, the basic question of trade policy would become, not whether a national measure is trade-distorting, but whether it is development-distorting. Most critics have not fully worked out the application of this abstract principle. In general, though, they urge that DC governments be allowed to carry out even trade-distorting interventions that promote development, and should be exempt from trade-liberalizing rules that hamper development. The arguments of some critics reflect ideologies deeply skeptical of the market; these will find little favor in trade institutions or most IDOs. But other arguments reflect notions of market failure; these should receive a more favorable hearing.

1. Rectify imbalances

Critics urge a reworking of WTO agreements to rectify imbalances that hamper development. This is the expressed aim of the “implementation agenda” in the DDA (WTO 2001b, 3), but critics support even more extensive rebalancing. Suggested areas include:

a. TRIPS. Even ESV supporters argue that TRIPS creates significant inequities; critics assess the agreement far more harshly. Oxfam, for instance, labels TRIPS an “institutionalized fraud.” A complete response to these criticisms would require numerous changes. Yet many critiques could be addressed simply by authorizing countries at different stages of development to adopt appropriate levels of intellectual property protection.

b. GATS. Critics emphasize that the services regime has failed to liberalize labor-intensive services, focusing instead on sophisticated services where DCs lack capacity. Since GATS requires specific national commitments, most of this criticism is properly addressed to ICs. However, the trade regime could do more, under the rubric of SDT or in other ways, to help DC governments encourage participation of local firms in liberalized sectors and to ensure that service providers are appropriately regulated.

http://law.bepress.com/nwwps-plltp/art25
c. Subsidies and Countervailing Measures (SCM). Critics have argued that the SCM Agreement made non-actionable many types of subsidy primarily used by ICs (e.g., for research and environmental compliance), but left actionable types of subsidies that DCs could use to promote higher value-added production, innovation, and other aspects of economic development. 23

d. Institutional requirements. Some WTO agreements require domestic institutions that are based on IC models and hence are too costly and demanding for many DCs. The trade regime could address this problem by (a) setting more flexible, outcome-oriented institutional requirements, (b) specifying different institutions for countries at different stages of development, or (c) authorizing exceptions for DCs.

2. Modify Reciprocity

Critics argue that a system based on reciprocal concessions 24 is inappropriate in a world of huge differences in economic and political capacity and vulnerability. GATT/WTO has long recognized these differences, creating special exceptions like the “Enabling Clause.” However, this approach is politically unpalatable in ICs and politically sensitive in DCs. One alternative is to reframe “reciprocity” to incorporate diverse levels of development. 25 For example, states could accept DC concessions as “equivalent” if they reflected current capacities to an equivalent degree, even if they produced smaller trade effects. Or states could increase the value of DC concessions by including an estimate of future trade benefits, to be realized as higher levels of development are achieved.

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23 The category of non-actionable subsidy lapsed according to the terms of the SCM Agreement on January 1, 2000. Current discussions to restore the exception are discussed below.

24 The criticism covers reciprocity that is explicit, as in market access negotiations, and implicit, as in the “grand bargain” of the Uruguay Round.

25 Many different formulations of the general notion of “reciprocity” are already part of the trade and broader political vocabulary (Abbott 1996b; Keohane 1986).
3. Special and differential treatment

While the ESV focuses on increasing DC access to foreign markets, critics put equal weight on allowing DC governments to intervene in their own markets to promote development. They see this as reversing the current situation, in which ICs, MDBs, and the WTO have all urged DCs to liberalize in spite of uncertain export prospects and vulnerability. Critics urge greater latitude for infant industry protection and similar interventions under GATT 1994 and agreements such as TRIPS, Trade-Related Investment Measures, and SCM.26

Critics also support other aspects of SDT. For example, the trade regime should exempt DCs from inappropriately stringent and costly rules and institutional requirements, and should create transition periods adequate for adjustment by poor workers and weak economies. SDT should not be viewed as a favor or special dispensation, but as a logical response to asymmetries in a system committed to development (Malhotra 2002; Monterrey Declaration 2002).

Some critics support their positions empirically, arguing (a) that economic data do not show a persuasive correlation between import liberalization and subsequent growth, and (b) that targeted interventions have been associated with rapid growth in DCs like the People’s Republic of China (PRC) and Viet Nam and earlier in some ICs. (To other observers, of course, the data suggest very different conclusions.) Other critics support their positions theoretically, arguing that development in vastly different societies and economic conditions requires diverse government structures, economic policies, social protections, and the like. Just as there are many “varieties of capitalism” (e.g., Japan, Sweden, and US), so there can be many varieties of development policy. The most persuasive critics do not prescribe specific arrangements, but argue that DCs should be granted freedom to experiment (Rodrik 2001).

26 The harshest critics see the ESV itself as an IC strategem, offering to grant some additional market access in exchange for DC agreement on further liberalization and new issues, limiting even more their ability to intervene to promote development.

27 GATT 1994 already allows many such interventions under Article XVIII and Part IV. It would be valuable to engage critics in a discussion of the viability of existing exceptions and procedures.
Mechanisms to control moral hazard are essential features in any system of SDT, certainly an expanded one. Capture, corruption, and other forms of government failure will persist and must be addressed. Yet critics have not persuasively demonstrated how this could be done. Rodrik proposes limiting SDT to “democratic” states, so that national measures are presumptively popularly supported. But this criterion seems unworkable in practice, and would penalize poor residents of non-democratic states. Alternatively, trade institutions could utilize information derived from collaboration with IDOs, development NGOs, and other groups with expertise, local knowledge, and on-site staffs to better authorize SDT, monitor its use, and withdraw authority in case of abuse.

4. Address trade issues of concern to DCs and LDCs

The WTO has taken on many issues of special interest to ICs (e.g., IPRs, services). But it has left some issues of special concern to DCs in the hands of weaker regimes. Most important is the problem of basic commodities. Many LDCs continue to depend on the export of a few commodities. Yet commodity prices have been in decline for years, and commodity markets are highly volatile, leading to shocks and uncertainty that hamper investment. The WTO has left this problem to institutions like UNCTAD, which lack its legal force and the financial resources of the MDBs.

UNCTAD recognizes that previous responses - commodity agreements designed to stabilize market prices - have failed. It calls for new approaches, supported if necessary by new institutions (UNCTAD 2002; Third World Network 2001). Some of the actions it suggests are domestic and country-specific, and so should be supported primarily by MDBs. Other actions require international responses. These include moving commodity markets toward long-term contracts, promoting fair trade principles, and establishing compensatory financing facilities. The WTO could advance some of these solutions, e.g., promoting fair trade principles. IDOs will have to take the lead on others. Even here, though, trade institutions could provide valuable

28 These include helping LDCs move into more dynamic, value-added sectors like processed food, and helping exporters enter buyer supply chains and meet international standards.
support: expanding market access, authorizing DC interventions to promote transitions, easing liberalization during transition periods, and providing TA.

5. Address food security and rural development

The 1996 World Food Summit defined “food security” as a situation in which all people at all times have physical and economic access to sufficient, safe, and nutritious food to meet their dietary needs and preferences for an active and healthy life. At present, however, the FAO indicates that some 800 million people in DCs, mainly in Asia and Africa, suffer from chronic food insecurity. WHO (2002) lists malnutrition and its effects as among the leading causes of disease and premature death, especially in DCs. In spite of international commitments, hunger remains one of the most pervasive deprivations associated with poverty. Critics urge IDOs and the WTO to respond aggressively.

Food aid is important in avoiding starvation, but a long-term solution must combine adequate earnings by the poor and availability of food through imports and domestic production. Many DCs have limited foreign exchange and high debt levels, so ensuring adequate domestic output is essential. In addition, food-insecure DCs are largely rural, making productive agriculture crucial to development as well as food security.

The AoA focuses on agricultural problems faced by ICs: high levels of support, leading to over-production and export subsidies. But DCs face very different issues: inadequate support, low productivity, and insufficient resources. DC food insecurity thus requires different rules, including authority for careful government intervention (also justifiable as a response to IC distortions). Under either rationale, permitted subsidies, infrastructure programs, and TA should be targeted at small, poor farmers; such measures would have little impact on world markets. Similarly, negotiators should not ask DCs to further reduce protection and support for agriculture until they have achieved

Others are considered vulnerable to hunger. In addition, some 34 million food-insecure people reside in ICs (FAO 2001).
greater food security – and until ICs have lowered their own trade barriers and support programs. At Doha, DCs sought a “development box” in the AoA to accomplish these ends (Priyadarshi 2002). Although this particular solution has not been pressed during the negotiations, the demand for rules allowing DCs to address food insecurity has continued.

6. Address development issues in coordinated fashion

To promote development and poverty reduction, the international community must adopt comprehensive, coordinated policies. At present, however, various facets of development are relegated to different regimes, and some fall through the cracks. Critics urge that some institution be given a mandate and sufficient resources to respond to each of the major deprivations and problems of development. The choice of an institution can be controversial. However specific issues are assigned, though, critics urge that the organizations actively coordinate their programs for maximum effectiveness (Monterrey Declaration 2002).

V. THE DOHA ROUND AND THE DEVELOPMENT AGENDA

The Declaration gave development great rhetorical prominence. Substantively too, it authorized negotiators to consider many of the changes called for by proponents of the ESV, and some of those urged by critics. Yet three general points tempered this optimistic assessment even at the outset of the Round.

- First, the Declaration addressed many issues in carefully ambiguous language. These provisions can be read as more or less supportive of the development agenda. On development, as in many other areas, “the Doha Declaration’s meaning depends on the reader” (ICTSD 2001).

33 The debate over WTO action on issues like labor rights and environmental protection has been intense. Critics generally prefer to keep such issues out of the WTO, because trade negotiations are likely to require DCs to adopt costly rules based on IC models. At the Singapore ministerial, trade ministers decided to leave labor rights as the primary domain of the International Labour Organization, and the Declaration reaffirmed this decision.
Second, for all its development rhetoric, the Declaration still placed trade liberalization at the heart of the negotiations (e.g., paras. 1-2). The emphasis on liberalization necessarily foreclosed some policy options.

Third, the Declaration was merely an agreement among trade ministers to initiate a work program. It identified subjects for negotiation in the Round and stated goals, principles, and procedures for those negotiations; it did not determine concrete outcomes. These can take shape only during actual negotiations.

The initial 18 months of negotiation have been disappointing, with little progress in translating the DDA into concrete agreements. Most significant for the overall success of the Round is the continuing deadlock on agriculture. As this is written, member states remain far apart on a wide range of agriculture issues, including many important to DCs. This stalemate has led members to defer serious bargaining in other areas, including services and market access for manufactures (ICTSD 2003a, 1).

Other early setbacks suggest more pointedly that IC members are reluctant to give effect to the pro-development provisions of the Declaration. The Committee on Trade and Development (CTD), tasked with clarifying SDT provisions in WTO agreements, is deeply split, and the General Council has been unable to provide guidance. Similarly, the Director-General has been unable to bridge intense disagreements over implementation issues. High profile discussions to extend the TRIPS Declaration have also broken down.

The first section in this part discusses some significant elements in the structure of negotiations in the Round. The next two sections review the provisions of the Declaration and the results of the early negotiations on development issues. The first of these discusses issues emphasized in the ESV, the second those highlighted in critical positions. The final section in this part assesses the potential contributions of the Round.
A. The Single Undertaking

The Declaration provided (para. 47) that the conduct and conclusion of negotiations in the Round and the entry into force of its results are to be treated as a “single undertaking,” much as in the Uruguay Round. The main elements of the single undertaking negotiations are agriculture, market access for manufactures, services, WTO rules (including ADM and SCM), trade and environment, the implementation agenda (or most of it), and probably some aspects of SDT. Under the single undertaking principle, concessions in one subject area can be treated as consideration for those in another, expanding the zone of potential agreement. On the other hand, deadlock in one controversial area, such as agriculture, could block completion of the entire Round.

Several subjects are clearly not part of the single undertaking negotiations, at least at this time. At Doha, largely because of DC reluctance, ministers agreed to begin negotiations on the “Singapore issues” – trade and competition, trade and investment, transparency in government procurement, and trade facilitation – only after the Cancun Ministerial, and then only on the basis of a decision on modalities to be taken there. They authorized the TRIPS Council to consider the application of TRIPS to biological diversity and public health. They created “work programs” or “working groups” distinct from the negotiations in areas including trade, debt, and finance; transfer of technology (TOT); electronic commerce; and small economies. On TA and the problems of LDCs, the Doha procedures are even softer.

31 As discussed below, the extent to which implementation and SDT form part of the single undertaking negotiations is hotly contested.

32 DCs are reluctant to consider these issues for several reasons. First, they view them as more relevant to IC interests than to their own. Second, they view them as significantly increasing the complexity of the Round, and thus its demand on their capacity. Third, especially with investment and transparency in procurement, they view them as indirect ways to impose new market access commitments, which DCs are reluctant to make after the Uruguay Round – at least until their outstanding concerns with implementation and SDT are satisfactorily addressed. Fourth, they view these issues as likely to result in costly new domestic administrative requirements. Finally, they view all four issues as addressing behind the border measures, setting new precedents for the further expansion of the trade regime into domestic policy areas.
It is obvious from this summary that many issues of special concern to DCs are relegated to weak procedures unlikely to produce firm commitments. For example, while the section on the special problems of LDCs was among the longest in the Declaration (paras. 42-43), it authorized few concrete actions. On trade, debt, and finance, and TOT, Working Groups were merely charged with an “examination” of the issues and “any possible recommendations” (and have made little progress even so).

The implementation issues identified in the Decision on Implementation-Related Issues and Concerns (Implementation Decision) are treated as an integral part of the Doha work program (WTO 2001c). But this also renders them part of the single undertaking negotiations. As a result, it appears that ICs can demand new DC concessions in return for acting on these issues, even though the purpose of the implementation agenda is to rectify perceived imbalances in WTO agreements. The Declaration is less clear on the status of SDT issues, but it appears that many of them, at least, will be treated the same way.

B. Issues under the ESV

1. Access to IC markets

The Declaration set a relatively strong market access agenda, consistent with its focus on trade liberalization. Para. 2 emphasized the role that trade can play in development and poverty alleviation, placed the needs of DCs at the heart of the DDA, and pledged “positive efforts” to ensure that DCs and especially LDCs share equitably in world trade. Para. 42 reinforced this pledge by adopting the “objective” of duty- and quota-free access for LDC exports. It welcomed the commitments made at the Third UN Conference on LDCs, and undertook to

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33 Ministers instructed the Secretariat to reflect their concern with LDCs in its annual TA plans, and instructed the Sub-Committee on LDCs to design a work program on the special problems of these countries. For the rest, ministers “acknowledged,” “recognized,” set “objectives,” “welcomed,” agreed to “consider,” “endorsed,” and the like.

34 Whether the implementation issues included in a companion document to the Implementation Decision are likewise part of the negotiations remains under dispute.

35 Similarly, para. 3 notes the vulnerability and structural difficulties of LDCs and commits to improve their participation in trade and the global economy.

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“consider” additional measures for “progressive improvements” in access. This section exemplifies both the development focus of the Declaration and its studied ambiguity.

The Declaration and early stages of the Round have addressed market access in particular sectors with widely varying levels of specificity and commitment.

(a) On manufactures, para. 16 of the Declaration approved negotiations to reduce or eliminate tariffs – including tariff peaks and escalation – and NTBs, especially on products of interest to DCs. While this provision applies in principle to all products, it does not specifically mention labor-intensive manufactures. The Declaration also failed to call for the full and timely integration of textiles and clothing into the trade regime, much less the accelerated removal of quotas some DCs had sought.

As this is written, market access negotiations remain preliminary, focused on reconciling proposed negotiation modalities (e.g., linear tariff cuts, various tariff-cutting formulas). Yet proposals from influential members suggest that, if negotiations succeed, the Round could significantly enhance access to IC markets. The EU proposes compressing tariff rates into a narrow range, greatly reducing peaks. It also proposes reducing tariff escalation on DC products, cutting tariffs on textiles and footwear near zero, and rapidly extending everything but arms treatment to all LDC exports. The US proposes to eliminate manufactures tariffs in two stages by 2015 and reduce NTBs. The Republic of Korea and New Zealand also propose NTB reductions. DCs in Asia should support all these proposals.

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34 It also provided that negotiations are to take account of the special needs and interests of DCs.
35 The Declaration set an end of May 2003 deadline for agreeing on modalities. However, this deadline has been missed due to the general slowdown caused by the agriculture stalemate.
36 Henceforth Korea.
Two development issues currently loom large. The first is whether DCs will be expected to make the same liberalization commitments as ICs, or whether they will be allowed to maintain greater protection in certain sectors through SDT or alternate modalities (ICTSD/IISD 2003d; ICTSD 2003f). As discussed further below, Bangladesh, PRC, India, and others have expressed concern that ambitious tariff-cutting would threaten vulnerable sectors in many DCs. The second issue, raised by Bangladesh and other LDCs, is whether tariff cuts will further erode the value of trade preferences. These members propose to defer IC tariff cuts where LDC exporters rely on preferences. This proposal may prove divisive for DCs in Asia, as deferral would come at the expense of more advanced DC exporters.

(b) On agriculture, the Declaration (para. 13) reiterated the long-term goal of restricting agriculture market distortions. “[W]ithout prejudging the outcome of the negotiations” already underway pursuant to the AoA, it approved comprehensive negotiations aimed at improving market access and substantially reducing trade-distorting domestic support.

As noted earlier, negotiators failed to meet a March deadline for agreeing on modalities, casting the success of the negotiations into doubt. Modalities suggested by the Chair on his own responsibility (WTO 2003b) were rejected

39 DCs have also expressed concern with the EU’s emphasis on reducing the gap between bound and applied tariffs, a gap characteristic of many DC tariff structures after the Uruguay Round.

40 The explicit reference to “trade-distorting” domestic support would seem to limit negotiations to measures included in the so-called “amber box” of the AoA, which includes most domestic measures regarded as distorting production and trade, e.g., through price supports or production limits. However, some agricultural exporting countries argue that this provision can be read to authorize discussion of all forms of domestic support, including measures falling within the AoA “green box” and “blue box.” This position is taken by the Cairns Group (which includes Australia, Indonesia, Malaysia, New Zealand, Philippines, and Thailand, among others) and the Like-Minded States (including Pakistan and Sri Lanka).
by both sides: by agricultural exporting countries, including the Cairns Group and the Like-Minded States (both of which include DCs from Asia and other regions) and the US, for proposing inadequate liberalization; and by the EU and other advocates of multifunctionality (including Korea and Japan) for giving insufficient recognition to non-trade concerns like food safety and the environment (ICTSD/IISD 2003a; ICTSD 2003b).

Discussions on market access have focused on tariff cuts, reductions in domestic support, and the special safeguard mechanism (SSG) in the AoA. On all three issues, DCs are split, with large exporters opposing those that seek flexibility to intervene in pursuit of food security, rural development, and similar goals.

(i) On tariffs, the exporters support formula cuts that would disproportionately reduce high tariffs; others, including the EU, India, Japan, and Korea, favor linear cuts that would preserve some peaks, perhaps with a minimum percentage reduction. The Chair proposed a series of tariff reduction "bands," with ICs required to make larger cuts in each band. This appears to be a sensible approach for DCs in Asia. Here too, the erosion of preference margins has emerged as a significant and divisive issue. The Chair's proposal would defer IC tariff cuts on products subject to long-standing preferences or of vital export interest to DCs, while calling for assistance to help DCs diversify production.

(ii) On domestic support, the differences are even wider. Supporters of liberalization, including the PRC and India as well as the exporter groupings, advocate (a) the rapid phase-out of "amber box" subsidies (which are understood to distort production and trade by supporting prices or limiting production, and were hence to be reduced under the AoA); (b) the imposition of additional restrictions on "green box"
measures (only minimally distorting because they are not tied to prices or production, as with support for research or structural adjustment, and hence not restricted under the AoA); and (c) the reduction of “blue box” measures (partially linked to production restrictions, but subject to a special AoA exemption).

Supporters of multifunctionality, in contrast, propose (a) only to reduce amber box measures; (b) to expand permissible green box subsidies for non-trade purposes; and (c) to preserve the blue box as a transitional measure (ICTSD 2003b, 3).

Most DCs in Asia should support tighter restrictions on domestic support: they can ill afford to adopt these measures themselves, and reducing IC support will enhance market access. One exception might be the maintenance or expansion of certain green box measures, especially those that serve to enhance agricultural productivity (Orden, et al. 2002).

(iii) Agricultural exporters seek to eliminate, at least for ICs, the SSG created by the AoA (GATT 1994, 46-8). Like other safeguards (e.g., GATT 1994, 273-81), the SSG allows importing countries to impose additional tariffs on certain products for limited periods, to protect domestic producers from sudden increases in imports or declines in prices resulting from trade liberalization. ICs resist this proposal, fearing it would expose them to damaging import surges. Many DCs also support creating a new SSG more useful to them: few qualify for the current provision. An SSG could be a valuable tool for DCs in Asia, provided it were focused on protecting poor farmers in unusual circumstances and narrow enough to avoid protectionist abuse.

41 The existing SSG only applies to designated products for which quantitative import restraints were converted into tariffs during the Uruguay Round; relatively few DCs made such conversions, as few of them previously maintained quantitative restraints on agricultural products.
(c) On services, para. 15 of the Declaration included a general undertaking to negotiate with a view to promoting economic growth in all countries and development in DCs and LDCs. Services negotiations mandated by GATS were already underway, and in March 2001 the Services Council adopted Guidelines and Procedures for the Negotiations, later incorporated in the Declaration. The Guidelines specify the request-offer method as the modality for negotiating specific commitments on market access (WTO 2001a).

As this is written, most ICs and a few DCs have submitted requests for commitments; members are preparing offers in response. DCs have been relatively inactive, with most not submitting any requests (ICTSD/IISD 2003c). The request-offer modality is resource-intensive, and DCs fear that it puts them at a disadvantage vis-à-vis powerful trading partners. However, it seems unlikely that this modality can be changed at this point, and it will be difficult for DCs in Asia to participate more actively without significant assistance. DCs that have submitted requests, such as India, emphasize expanding the movement of natural persons and related changes like easing residency requirements (ICTSD 2003g). DCs in Asia should support such proposals, although major progress seems unlikely in the post-9/11 era. Some LDCs argue that ICs should afford them full market access in sectors of interest, under the special treatment clauses in GATS. ICs respond, however, that they can only consider special treatment in the context of individual requests.

(d) The Declaration all but ensured that the Round would do little to increase trade security by constraining contingent protection. Para. 28 approved negotiations aimed at “clarifying and improving disciplines” under the SCM and ADM Agreements, taking into account the needs of DCs. Many DCs had demanded that the Round address these steps are not being carefully observed, due in part to the general slowdown in all areas of the Round.
issues because of the increasing application of contingent protection against them. However, at the instance of the US and other ICs, the Declaration also provided that negotiations should preserve “the basic concepts, principles, and effectiveness” of the Agreements, their instruments and objectives, greatly limiting the scope for negotiation.

The political division suggested by these provisions has been manifested in early negotiations (ICTSD/IISD 2003g; ICTSD 2003e, 9). The most contentious area is ADM. The Friends of Anti-Dumping Negotiations (which includes Hong Kong, China; Japan; Korea; Singapore; Taipei, China; and Thailand, and is supported by many other states) propose constraining ADM, limiting burdensome investigations, and increasing transparency and procedural safeguards through amendments to the Agreement. The EU has been supportive, calling for a special dispute procedure to review the initiation of ADM proceedings even before they reach substantive conclusions. DCs in Asia should support these proposals.

The US, on the other hand, seeks to maintain current flexibility to apply ADM and to protect national determinations from legal attack in the WTO. (Some DC users of ADMs, led by Egypt, support this approach.) The US also seeks to regulate techniques for circumventing ADM (and countervailing duties), such as minor product modifications. Finally, the US proposes to enhance procedural safeguards in ADM proceedings. Procedural safeguards are thus a potential area of agreement, although many DCs find the specific procedures the US favors to be unduly complex and costly.

Similar divisions affect negotiations on SCM. For example, India proposes amending the SCM Agreement to expand

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SDT. It would exempt certain DC export subsidies and limit the size of countervailing duties. The US opposes all proposals to restrict countervailing duties, and seeks to tighten restrictions on certain subsidies. Some DCs and ICs propose reinstating the lapsed category of “non-actionable subsidy.” However, DCs generally favor a more expansive category, including some subsidies aimed at development, e.g., for diversification of production, as well as those previously treated as non-actionable (e.g., for research and development and environmental compliance).

2. Access to DC markets

The Declaration generally viewed DCs as the beneficiaries of market access. In terms of market access commitments, it implicitly aimed at ICs, although many provisions were general enough to cover DC markets. Yet the Declaration also contained a number of provisions on SDT, including the principle that DCs need not make fully reciprocal market access commitments (e.g., para. 16). Thus the Declaration left unresolved the inherent tension between increasing access to DC markets and SDT. As discussed below, this tension has been manifested in the early negotiations.

3. Complementary DC policies

The Declaration was virtually silent on the type of domestic reforms called for by the ESV. Some negotiations could indirectly facilitate reform: for example, greater market access for agricultural products could help DCs promote rural development. Other provisions touched on relevant issues, such as services regulation (para. 7), trade facilitation (para. 27), and supply constraints in LDCs (paras. 42-43). In general, though, the Declaration made little attempt to mobilize trade policy in support of domestic reform, and the early negotiations have followed the same path.

Article 10.2 of WTO (2001c) "takes note" of such proposals and urges restraint in challenging development subsidies during the Round.
4. Aid for trade and reform

Among the most pro-development aspects of the Declaration – and of recent WTO policy – is support of “soft aid for trade.” The Declaration described TA and capacity building as “core elements of the development dimension of the multilateral trading system” (paras. 38-41). It endorsed the WTO’s New Strategy for Technical Cooperation and instructed the Secretariat to help DCs “mainstream” trade in development plans, with a focus on implementing and adjusting to WTO obligations and exercising the benefits of membership. Other provisions supported TA for LDCs (para. 43) and in specific negotiations, especially the Singapore issues. These undertakings helped persuade DCs to agree to the Doha Round; DCs in Asia should insist that they be carried out as a condition for agreeing to negotiations on the Singapore issues.

The Declaration also supported cooperation with development agencies to enhance TA. It noted the “urgent necessity” of coordinating WTO programs with bilateral donors, the MDBs and the DAC within a coherent policy framework. It called on the Director-General to consult with these actors and with beneficiaries to strengthen the Integrated Framework for Trade-Related Technical Assistance to LDCs (IF) (para. 39), and called on members and “development partners” to increase their financial support (e.g., paras. 40, 43). It urged the IF agencies to consider expanding membership in the program, and to strengthen its ability to address supply constraints in LDCs.

Yet the Declaration did not address all the forms of assistance recommended by development advocates. It devoted little attention to supporting DC participation in WTO activities outside the Round, such as dispute settlement, or trade-related activities outside the WTO, such as standard setting, both significant for DCs in Asia. It downplayed assistance for domestic reforms, including those needed to take advantage of trade opportunities. It was largely silent on financial

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assistance, and neither provided for nor endorsed “hard aid for trade,” even incidentally.\textsuperscript{49}

TA has not figured explicitly in the early negotiations, but the Secretariat continues to operate and develop programs (ICTSD/ IISD 2003j). In December 2002, the Director-General reported on implementation of the TA commitments in the Declaration. The report describes the many activities in the current Technical Assistance Plan—e.g., trade policy courses, topical workshops on request, workshops to train trainers, and advanced Doha Round training courses—as well as voluntary contributions to the Doha Development Round Global Trust Fund, the TA database created with OECD, and inter-agency efforts like the IF and the Joint Integrated Technical Assistance Program for Africa.

5. WTO governance reform

“Recognizing the challenges posed by an expanding WTO membership,” the Declaration confirmed the need to ensure internal transparency (e.g., through information dissemination) and effective participation of all members (para. 10). Members undertook to conduct the Doha negotiations in the same fashion (para. 49). Apart from its commitments on TA, the Declaration did not spell out any specific reforms in these areas. However, members did agree (para. 30) to “negotiations on improvements and clarifications of the Dispute Settlement Understanding,” with a deadline of May 2003. Negotiators failed to meet this deadline. Members have submitted many proposals, but they have so far been unable even to identify areas where consensus might be possible (ICTSD 2003c, 6). Several proposals aim to improve the position of DCs in dispute settlement. These include expanding SDT, strengthening the obligation to take the circumstances of DCs into account, speeding up authorization of retaliation, and expanding the remedies available to weaker states to promote compliance with rulings.

\textsuperscript{49} However, the WTO Secretariat’s 2003 TA plan notes that the WTO will urge other funding agencies to support trade-related infrastructure projects.
C. Issues Identified by Critics

1. Orientation to development

Critics urge a reorientation of the trading system toward the goals of development and poverty alleviation. The Declaration recognized the importance of these goals (para. 2). Implicitly, at least, it acknowledged that DCs, especially LDCs, have not been fully integrated into the trading system (paras. 2, 35, 42). It included numerous specific undertakings in favor of DCs.

Yet the Declaration did not work any fundamental reorientation. It kept liberalization of trade as the central mandate of the Round, emphasizing the contributions trade can make to development (paras. 1-2). It did not acknowledge any fundamental imbalance in WTO obligations, and made no move to accept as an organizing principle the elimination of policies that distort development. It also focused explicitly on economic development, resisting efforts to define the central problem as human development. As a result, it neglected important aspects of development policy, including domestic reform and the deprivations associated with poverty.50

The early negotiations have reinforced these interpretations. Members have advanced numerous proposals that favor DCs. Yet many problematic areas of WTO law remain unaffected. In addition, negotiators have deadlocked on central development issues like agriculture, SDT, implementation, and TRIPS and public health. These disputes have impeded progress in other important areas like market access for manufactures, throwing the success of the Round into doubt. Cancun may restore some momentum, but the setbacks to date suggest that these differences will be very difficult to bridge.

2. Rectifying imbalances

The Declaration observed generally that “balanced rules” can help DCs achieve a share of world trade commensurate with their needs.

50 The Declaration does reaffirm a commitment to sustainable development (para. 10), while approving only limited negotiations on trade and environment (paras. 31-32).
More concretely, it incorporated into the Doha work program the Implementation Decision – which calls for action on some 90 imbalances in WTO agreements\(^{51}\) – with specific modalities for negotiation (para. 12).

While this action provided avenues for addressing imbalances, however, it was in some ways disappointing to DCs. By situating implementation issues within the single undertaking negotiations, the Declaration in effect requires new concessions as the price of rebalancing. DCs argue they should not have to “pay twice” for action on these issues. At the same time, the Declaration left it ambiguous whether certain issues are to be addressed in the negotiations or through deliberations in regular WTO bodies. With both the mandate and substantive issues contested, members have made little progress.

Even with the incorporation of the Implementation Decision, moreover, the Declaration and early negotiations have failed to address some major imbalances identified by critics.

(a) On intellectual property, the most important action at Doha was the TRIPS Declaration (WTO 2001d), which greatly reduced uncertainty as to the ability of DCs to facilitate access to essential patented medicines\(^{52}\) through parallel importing and compulsory licensing (para. 17 of WTO 2001b). However, it left unresolved how DCs lacking local capacity to manufacture drugs can utilize compulsory licensing. Because TRIPS Article 31(f) requires that production under compulsory license be predominantly for local markets, such DCs can neither license producers in other states or import in quantity from states that have licensed local firms. The TRIPS Declaration instructed the TRIPS Council to find an “expeditious” solution to this issue and report by the end of 2002.\(^{53}\)

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\(^{51}\) Although the Implementation Decision resolved a few issues, it left most to continuing negotiation. Many implementation issues were also relegated to a companion document, the Compilation of Implementation Issues Raised by Members, Job(01)/152/Rev.1, incorporated by reference in the Declaration; these were clearly not resolved by the Implementation Decision (ICTSD/IISD 2003a).

\(^{52}\) The TRIPS Declaration also extended by 10 years, to 2016, the deadline for LDCs to adopt patent protection for pharmaceuticals.

\(^{53}\) As they are understood to concern an implementation issue, these deliberations are outside the single undertaking negotiations of the Round.
The Council failed to meet that deadline, and it remains deadlocked (ICTSD/IISD 2003e). In December 2002, the Chair put forward a draft interim decision that only the US opposed. It would have established a moratorium on legal challenges to compulsory licenses and related actions within its scope until an amendment to TRIPS was adopted. The moratorium would have applied to all LDCs, and to other members (except advanced ICs), after notification, for actions during national emergencies or cases of extreme urgency. Yet even this modest proposal could not attract a consensus.

The major sticking point is the scope of the health threats to which a solution would apply. The Chair's draft would protect action against any public health threat that afflicts many DCs and LDCs, especially HIV/AIDS, tuberculosis, malaria, and other epidemics. Most DCs support this formulation. However, Switzerland and US feared that this phrase could be interpreted (and was intended) to authorize compulsory licensing so extensive as to weaken patent protection for pharmaceuticals. These members initially favored limiting action only to HIV/AIDS, tuberculosis, and malaria, but later agreed to specify a number of infectious diseases plus "other epidemics of comparable gravity and scale."

It is difficult to believe that negotiators of good will could not bridge the remaining difference in positions, given the scale of suffering involved. Yet the TRIPS Council rejected several compromises and has deferred further action. It is strongly in the interest of DCs in Asia to resolve this issue. Both the Chair’s draft and the current US-Swiss position cover HIV/AIDS and major infectious diseases, so the precise formulation is less important than rapid resolution.

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54 The draft also included a provision encouraging members to engage in TOT and capacity building in DCs pursuant to the TRIPS Declaration.
55 This formulation follows the language of the TRIPS Declaration.
56 In the meanwhile, the EU, US, and other developed members have adopted unilateral moratoriums of varying scope, consistent with their negotiating positions.

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The Doha Declaration initiated two other deliberations on IPRs. First, it created a Working Group under the General Council to consider the relationship between trade and technology and mechanisms within the WTO mandate to increase TOT (para. 37). Any recommendations are to be submitted to the Cancun Ministerial. Second, the Declaration instructed the TRIPS Council to examine the relationship between TRIPS and the Convention on Biological Diversity, traditional knowledge, and similar issues (para. 19). Neither process is part of the single undertaking negotiations. In other respects, the Declaration left the IPR regime almost wholly unchanged.

One would expect the TOT Working Group to play a significant role in a “development round.” But as in other areas of the DDA, the positions of DCs and ICs are far apart, and the Group has managed little progress (ICTSD/IISD 2003i). The US and some other ICs insist that the Group limit itself to general deliberations on ways to encourage innovation and TOT consistent with TRIPS, without trying to produce specific recommendations. DCs, in contrast, urge it to recommend specific, practical ways to implement TOT clauses in WTO agreements, and to consider related issues like restrictive business practices.

The biodiversity and traditional knowledge discussions also remain at an early stage, with IC and DC positions far apart (ICTSD/IISD 2003e, 4). A group of DCs – including PRC, India, Pakistan, and Thailand – proposes an amendment to TRIPS that would require firms seeking to patent products derived from living materials or traditional knowledge to demonstrate informed consent by the source.

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57 The TRIPS Council also considered monitoring and implementation of national incentives for TOT to LDCs, pursuant to TRIPS Art. 66.2 and Implementation Decision para. 11.2. In February 2003, the Council adopted a procedure for annual reports by ICs, to be reviewed by the Council, on actions taken or planned under Art. 66.2 (ICTSD 2003d, 8).

58 Even ICs open to broader deliberations, like the EU, propose a relatively narrow agenda, focusing on assessments of the effectiveness of different TOT channels, at least at the outset.
country and some sharing of benefits with it. ICs, especially the US, oppose any amendment of TRIPS, especially one that could be seen as imposing a new requirement for patentability. DCs in Asia should support both Groups. Lacking some new catalyst, though, it seems unlikely that either will produce any breakthrough.

(b) On services, the Declaration affirmed the right of governments to regulate and introduce new regulations on the supply of services (para. 7). But it did not address restrictions on labor-intensive services or the imbalance in access that results from such restrictions. Early negotiations have not led to any rebalancing, and may have introduced even greater imbalances.

GATS Art. IV.1 requires members to facilitate DC participation in services trade through negotiated commitments to strengthen DC industries, improve access to supply channels, and increase market access. The Guidelines instruct the Services Council to review implementation of these commitments, but little has been accomplished (ICTSD/IISD 2003c, 3). DCs in Asia should press for greater attention to these issues, although major results seem unlikely.

To date ICs have tabled far more requests for specific commitments than have DCs. IC requests also include the removal of “horizontal” regulations on entry of

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59 As noted earlier, the Declaration set target dates for requests and offers for specific commitments on services. Many DCs opposed such targets, but acceded in return for similar deadlines on agriculture. Some requests and offers have been submitted, though few met the deadlines.

60 GATS and the negotiation Guidelines call for an assessment of the state of services liberalization, with negotiations to be adjusted accordingly. However, the request-offer process is well underway and no assessment has been conducted.

61 The Council for Trade in Services was empowered to consider how members could be granted credit for autonomous liberalization measures in service sectors. In March 2003, the Council agreed that credit should be granted as part of bilateral negotiations, and should take whatever form bilateral pairs approve. DCs had sought a decision that they would not be expected to grant full credit for IC liberalization measures, but the final resolution provided only that in bilateral discussions members must take into account the flexibility provided for DCs at different stages of development (ICTSD 2003g).
professionals and foreign investment, as well as "additional commitments" that would create barriers to regulation. Responding to these requests poses difficult issues for DCs in Asia. The issues are complex, technical, and substantively difficult: while services liberalization would produce economic and social benefits, DCs must preserve appropriate regulatory authority. Trade-related TA could make a major contribution in this area. LDCs seek special treatment in the request-offer process under GATS Art. XIX.3, but this demand has generally been rebuffed. Members of the Association of Southeast Asian Nations and other DCs propose an emergency safeguard mechanism, but WTO members are deeply split on its desirability (ICTSD 2003g).

(c) On subsidies, the Declaration spoke of taking into account the needs of DCs, but it did not address the imbalances perceived by critics. Indeed it explicitly preserved existing concepts and principles. The Implementation Decision and its companion compilation of issues identified several SCM issues, but only one has been successfully addressed. As noted earlier, negotiators have considered restoring the category of non-actionable subsidies to the SCM Agreement and extending it to include some development measures. However, the US is simultaneously pressing for tighter restrictions on subsidies, and negotiators have made few concrete decisions.

(d) On the problem of inappropriate domestic institutional requirements, the Declaration said little; early negotiations have largely avoided the problem. Significantly, the DDA contemplated no change in the institutional requirements of TRIPS, and none has been debated. In describing potential negotiations on the Singapore issues, the Declaration

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62 DCs initially resisted general discussion of domestic regulation under GATS Article VI.4, but some, including several Asian DCs, have come to support this in an effort to moderate bilateral demands.

63 Members authorized a number of extensions to the transition period provided in the SCM Agreement for LDCs and poorer DCs (ICTSD/IISD 2003a).
acknowledged the special needs of DCs and called for TA, but did not address the problem of costly institutional requirements. The issue has at least been raised in early discussions. For example, the EU acknowledged in discussions on competition that the costs of implementing transparency may pose a burden for DCs (ICTSD/IISD 2003f, 3). DCs in Asia should be vigilant on this issue. In general, though, the Round seems unlikely to produce significant relief from burdensome institutional requirements.

3. Rethinking reciprocity

The Declaration included significant commitments on reciprocity, but did not undertake any fundamental rethinking of the concept or introduce any innovative rationales. The Declaration adopted the principles of SDT embodied in prior GATT/WTO instruments (paras. 44, 50). It reiterated that DCs should not be required to make fully reciprocal cuts in tariffs or other trade barriers (para. 16), and it made similar provisions in specific areas, e.g., agriculture (para. 13) and investment (para. 22). Yet it still called for “an overall balance in the outcome of the negotiations” (para. 49).

Some early negotiations, such as agriculture, have given effect to the principle that DCs should be allowed reduced commitments and longer transition periods, although few of these negotiations have progressed very far (ICTSD/IISD 2003b, 3). In other areas, however, some leading proposals seem to run afoul of the principle. This is true of the US proposal for the two-stage elimination of industrial tariffs, which would on the whole require larger reductions by DCs. The EU proposal to compress tariff rates into a narrow band would have a similar effect, although the EU also proposes some forms of SDT. While market liberalization is in the long-run interest of DCs in Asia, these countries should at least hold out for adequate transition periods linked to progress in development.

DCs argue that many SDT provisions in WTO instruments have been ineffective because they require only “best endeavors” (ICTSD/IISD 2003f, 3). The EU and the Director-General, as well as various DCs, have noted this problem (ICTSD/IISD 2003d, 2).
IISD 2003k, 1). To deal with this problem, the Declaration instructed the CTD to review all SDT provisions with a view to making them more precise, effective, and operational, although not necessarily mandatory (para. 44). The CTD, however, has been unable to meet its deadlines for submitting “clear recommendations.” It remains sharply divided on many issues, most fundamentally its own mandate.

DCs argue that existing instruments must be amended to make SDT provisions more effective. Under the Declaration and Implementation Decision, they argue, revisions should be made outside the single undertaking negotiations, with no new concessions required. ICs consider that the amendment of legal instruments would change the balance of obligations and would thus require equivalent concessions. However, they insist that the CTD lacks a mandate for such negotiations; these must take place in the negotiating bodies of the Round. The CTD requested the General Council to clarify its mandate, but it has been unable to do so (WTO 2003a). Requiring new concessions for improvements in SDT seems contrary to the purpose of the review, but ICs will resist formal amendments without them, due to the precedential effect as well as the impact of specific changes. How this standoff is resolved will go far to determining the success of the DDA.

4. SDT and flexibility

Critics further emphasize the need for SDT provisions that allow DC governments to experiment with domestic institutions and intervene in markets to promote development and poverty alleviation. The Declaration, though, included few if any provisions on these matters, and the early, inconclusive deliberations on SDT have not addressed them either. In fact, DCs have effectively kept the expansion of SDT concepts off the table in the CTD, the primary venue on the

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65 Implementation Decision para. 12 also addressed existing SDT provisions. Among other things, it required the CTD to identify provisions that are or should be made mandatory and to consider the implications of making non-binding provisions mandatory. The Declaration endorsed this work program.

66 ICs also call for distinguishing among states at different stages of development for purposes of SDT, and graduating those that reach higher levels.
subject, by arguing that its deliberations should focus on strengthening existing provisions."\[67\]

The Declaration by no means endorsed institutional experimentation. Yet certain provisions could be read as accepting national variation. On trade and investment, for example, the Declaration noted that any agreed framework should take due account of development needs; DCs should only be expected to make commitments commensurate with their circumstances (para. 22). On trade and competition, while the Declaration emphasized “progressive reinforcement of competition institutions” in DCs, it provided that negotiations should take account of their special needs and provide “appropriate flexibility” (para. 25). It also highlighted the right to regulate services (para. 7) and investment (para. 22) in the public interest. Early discussions have added little to these provisions, but DCs in Asia should insist that they be carried out in future negotiations.

5. Trade issues of special interest to DCs and LDCs

Numerous operative provisions in the Declaration single out the special situation of DCs. The DDA includes negotiations on implementation and other subjects of special concern, as well as deliberations on SDT, TOT, and the relationship of trade to debt and finance (ICTSD/ IISD 2003h). At this early stage, however, few of these discussions have borne fruit. As most DCs demanded, the Declaration also reaffirmed the Singapore decision to leave labor standards to the International Labour Organization (para. 8) and authorized only limited negotiations on trade and environment (paras. 31-32).

The Declaration was silent on the problems of commodity exporters except for a reference to “diversification” of LDC exports and a reaffirmation of undertakings from the Third UN Conference on LDCs (para. 42). The Africa Group has raised many commodity issues in the Working Group on Trade, Debt, and Finance, including the need to enhance market access, reduce the risks of fluctuations in prices and

\[67\] In part this tactic has been aimed at preventing the introduction of restrictive concepts like graduation into the deliberations (ICTSD/IISD 2003k).
currencies, and support diversification and supply development.\textsuperscript{68} India and other DCs also call for commodity policies that help DCs with heavy debt loads (ICTSD/IISD 2003h, 2). Most important, leading proposals in the market access negotiations seek everything but arms access for LDCs. These should be the focus of efforts by LDCs in Asia.

6. Food security and rural development

The Declaration did not incorporate the World Food Summit definition of “food security” or adopt it as a central element of trade policy. However, it did explicitly recognize the issue. Para. 13 provided that SDT would be an integral part of the agriculture negotiations, to be included in national commitments and “as appropriate” in WTO rules “to enable developing countries to effectively take account of their development needs, including food security and rural development.”\textsuperscript{69}

In early negotiations, the Like-Minded Group proposes that DCs be allowed to exempt products crucial to food security from new tariff reductions and to renegotiate low bound tariff rates on food (ICTSD/IISD 2003b, 2). The Chair’s proposals, although not accepted, also envisage lesser tariff reductions on a limited number of products designated as important to DC food security. These proposals have stimulated considerable interest, along with sharp debate over governing criteria, with India and other DCs arguing for broad eligibility and the Cairns Group and the US demanding stringent restrictions (ICTSD 2003b). Food security has also entered into discussions of SSG for DC agriculture.\textsuperscript{70} Even with relatively tight criteria, both mechanisms would be beneficial to DCs in Asia.

The Declaration addressed other issues relevant to rural development. It reiterated the “long-term objective” of correcting and

\textsuperscript{68} Some DCs, including Malaysia, resist discussing matters like supply development, regarding them as internal issues that should be kept off the WTO agenda.

\textsuperscript{69} The Declaration set a target date of March 31, 2003 to establish modalities for SDT in this context, as well as for the agricultural negotiations as a whole. Setting a target date was seen as a significant advance over the framework for built-in negotiations on agriculture under the AoA. However, in a serious setback for the Round, the March 31 deadline was not met, creating a domino effect in other areas.

\textsuperscript{70} In addition to the much-discussed new SSG, Indonesia and the Philippines, among others, have broached the idea of a “food security mechanism” (ICTSD/IISD 2003h, 3).
preventing distortions in world agricultural markets. It committed members to comprehensive negotiations aimed – without prejudicing the outcome – at reducing, “with a view to phasing out,” all forms of export subsidy\(^7\) and substantially reducing trade-distorting domestic support (para. 13).\(^7\) Leading proposals envisage the phase-out of export subsidies within a relatively short time (ICTSD/IISD 2003b, 3), although it will be difficult to garner EU agreement. Phasing out export subsidies would be of great benefit to DCs in Asia, many of which are actual or potential agricultural exporters. In the long run, even those that currently depend on subsidized food imports could benefit through the stimulation of domestic production. DCs and the “friends of multifunctionality” also propose expanding the green box to encompass support measures aimed at food security.\(^7\) These could also be beneficial to DCs in Asia, but they should be cautious about supporting multifunctionality because of its impact on market access.

7. Coordination with development regimes

The Declaration included some steps to enhance policy coordination, though fewer than critics recommend. The strongest statement appeared in para. 5, which declared that states cannot address the challenges they face in today’s dynamic environment through trade policy alone. Ministers thus agreed to work with the Bretton Woods institutions for greater coherence in global economic policy. As discussed earlier, the Declaration also included provisions designed to promote coherence in TA and other forms of aid.

Of course, coherence alone is not enough; policies must prioritize development. The Working Group on Trade, Debt, and Finance,

\(^7\) The formulation “all forms of export subsidy” was a compromise between the US position that the negotiations should focus on export subsidies and the EU position that they should encompass all forms of export support, including programs such as export credits and food aid.

\(^7\) While the explicit mention of “trade-distorting” subsidies would seem to limit negotiations to those measures included under the “amber box” of the AoA, some agricultural exporting states argue that it could be read to authorize discussion of all forms of domestic support, including those under the “green” (only minimally distorting) and “blue” (moderately distorting but temporarily unregulated) boxes of the AoA.

\(^7\) The EU has also proposed adding to the AoA a “food security box” that would create an SSG for DCs and authorize increased flexibility for domestic support (ICTSD/IISD 2003b, 3-4). Implementation Decision para. 2.1 already urges restraint in challenging Green Box measures aimed at food security and notified by DCs.

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outside the single undertaking negotiations, is to consider ways to strengthen the coherence of trade and financial policies (para. 36). IDOs and other economic organizations have made presentations to the Group, although few proposals have been submitted. DCs including PRC, India, and Pakistan propose a more development-oriented framework for the entire global economic system (ICTSD/IISD 2003h).

D. Potential Benefits

At this point, only a few areas of the Doha negotiations seem capable of producing major economic benefits for DCs. Consider the seven subjects of the single undertaking negotiations identified earlier:

- Services negotiations will likely produce little progress on movement of low-skill workers, the most important issue for DCs. Negotiations should lead to valuable liberalization of services by DCs. However, it remains unclear whether DCs will be allowed to liberalize and regulate with the degree of caution and flexibility recommended by development specialists.
- Negotiations on WTO rules seem unlikely to generate much if any relief from contingent protection.
- Negotiations and deliberations on SDT and implementation will produce some gains, but these may come at the cost of new concessions. Some of the major imbalances in WTO agreements are not on the agenda.
- The trade and environment negotiations are substantively narrow and are of low priority to most DCs.

Thus, agriculture and market access for industrial products, widely acknowledged to be the core of the Round, will have to produce the major gains.

In the market access negotiations, the nature of the final bargain will depend crucially on the extent to which negotiators take the special circumstances of DCs into account. Greater access to IC markets – especially through reduction of tariffs on labor-intensive products, peaks, and escalation – would be a major benefit to DCs. Reducing DC tariffs would also provide development benefits, giving poor residents
greater access to inexpensive goods and expanding South-South trade. However, if DCs are required to make tariff concessions on the same scale and schedule as ICs, as under the US zero tariff proposal, it would create hardships for DC governments, vulnerable sectors, and workers (Medhora 2001). In addition, it remains to be seen whether negotiators can find a way to preserve some trade preference margins for LDCs while reducing IC tariffs.

Significant progress on agriculture is crucial to the success of the Round. Each major area of the negotiation – market access, domestic support, and export subsidies – can produce significant benefits to DCs. Yet here too it remains unclear how the special concerns of DCs will be addressed. Early negotiations have revealed strong differences on many significant issues, including the size and timing of DC market access commitments, protection of preference margins, green box treatment for development measures, and food security and safeguard mechanisms. Proposals to allow DCs to designate a limited number of products important to food security, which would be subject to lowered tariff reduction commitments, safeguards, or other interventions, are a creative way to reconcile development needs with the benefits of liberalization.

Although it is crucial for the market access and agriculture negotiations that the special needs of DCs be addressed, these countries’ interests are divided on both sets of issues, making unified negotiating positions difficult to achieve. In both areas, the issue of trade preferences sets LDCs against more advanced DCs. In agriculture, exporting countries in the Cairns Group favor widespread liberalization of tariffs and NTBs, while other DCs, even those in the Like-Minded Group, seek to preserve some ability to protect vulnerable sectors in the interest of food security and rural development. Exporter groupings favor banning export subsidies, while some DCs that rely on inexpensive food imports fear their loss. Exporters also favor stricter limits on domestic support, while other DCs seek to expand the green box for development purposes.
CONCLUSION: POLITICAL STRATEGIES FOR CHANGE

The Declaration addressed many of the concerns raised by development advocates. It was especially responsive to recommendations on market access and aid for trade,\textsuperscript{74} which are consistent with the WTO’s traditional trade liberalization focus. It also authorized consideration of the implementation agenda and SDT enhancement, although it either required new concessions for action in these areas or left the requirement ambiguous.

On other issues, though, the Declaration fell short of advocates’ recommendations. In general, in spite of strong rhetoric, it did not adopt development as the guiding principle of the regime or make the WTO a strong advocate for development. More specifically, it failed to address areas such as domestic DC reform, imbalances in agreements like TRIPS, domestic institutional variation, WTO governance, and (with some exceptions)\textsuperscript{75} coordinating with IDOs and specialized agencies on deprivations like hunger and disease. It left other significant issues, like TOT and the problems of LDCs, to weak procedures.

The early negotiations are also troubling. Although these are still early days, negotiators are deadlocked on major subjects, including agriculture (where the stalemate has affected other areas), contingent protection, and dispute settlement. Equally serious, members appear reluctant to give concrete effect to development commitments in the Declaration. Discussions on SDT, implementation, TRIPS and public health, and other important subjects are deadlocked, primarily between DCs and ICs. At this stage, many of the disputes concern threshold issues like mandates and modalities. Influential members are holding out for procedures that would hamper adoption of pro-development measures (e.g., limiting the TOT Working Group to general discussions) or increase their cost (e.g., requiring new concessions for action on SDT and the full implementation agenda).

There is still time for negotiators, trade officials, and development practitioners and advocates to bring the insights and recommendations

\textsuperscript{74} Concrete WTO activities in the field of TA reinforce these provisions.

\textsuperscript{75} These include the TRIPS Declaration, support for collaboration on TA, and language on policy coherence with the Bretton Woods institutions.
of development policy – as reflected in the instruments reviewed at the outset of this paper and the rhetoric of the Declaration itself – closer to the heart of the Doha trade negotiations. But how can this be done?

The rhetoric of the Declaration is not self-implementing; political action is required to give it effect. Since even DCs in Asia have differing interests on particular issues, it is not possible to suggest specific tactics for individual governments. But the remainder of this section identifies two general strategies – each with two distinct forms reflecting different political “logics” – that could prove effective for development advocates at this time. The two strategies are bargaining and public diplomacy; each strategy can be pursued on the basis of interests and on the basis of norms. DCs and development advocates in Asia and elsewhere should deploy these strategies in support of action on the issues most important to them – be they industrial tariffs, agricultural export subsidies, contingent protection, TRIPS and public health, implementation, SDT, or everything but arms.

Obviously, hard bargaining in Doha negotiating bodies and other forums is the most direct way to affect the progress of the Round. DCs have ongoing bargaining leverage in many areas of the DDA, but the best single opportunity for bargaining will come in September, at the Cancun ministerial conference. Under the Declaration (para. 45), this ministerial is to “take stock of progress in the negotiations, provide any necessary political guidance, and take decisions as necessary.” Ministers will likely be asked to break stalemates in several important areas, including agriculture. If the Round is completed on schedule by January 1, 2005, Cancun will be the last ministerial before the special session called to conclude the negotiations, so its decisions will be crucial.

The clearest opportunity for interest-based bargaining arises from the procedure for addressing the Singapore issues. In each case, due to DC resistance, ministers at Doha agreed (paras. 20, 23, 26-27)

76 As these are political strategies, they derive from political science and international relations theory more than from economics or law. For a brief presentation of relevant theories of international relations, see Abbott (1999). On the political “logics” discussed here – the “logic of consequences” and the “logic of appropriateness” – see March and Olsen (1989).

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that “negotiations will take place after the [Cancun ministerial] on the basis of a decision to be taken, by explicit consensus, at that Session on modalities of negotiations.” These are “arguably the most confusing provisions of the Ministerial Declaration” (ICTSD 2001, 6). ICs argue that the quoted language authorizes negotiations; the only open question is their modalities. Most DCs argue that it does not authorize negotiations; these can only take place if members make a consensus decision as to modalities. DCs have significant leverage in either case. DCs in Asia should (jointly to the extent possible) identify the issues most important to them and prepare to drive hard bargains on those issues in return for consent to negotiations or modalities on the Singapore issues.

Interest-based tradeoffs are not the only form of bargaining, although they are typical of trade negotiations. Negotiations can also involve normative bargaining: debate over the kinds of behavior that are appropriate in a given situation. Such bargaining turns on persuasion. Interest-based persuasion involves providing information that encourages action by others, under their preexisting preferences. But normative persuasion involves attempting to convince others to adopt new understandings of how they should behave.

Normative persuasion usually turns on appeals to principles and norms that all consider legitimate. As noted at the outset, the summit declarations and other commitments adopted around the turn of the millennium “constitute a coherent and legitimate set of global norms on development, solemnly endorsed at the highest levels of government.” These instruments provide both a road map for efforts to persuade and a powerful source of normative legitimacy. Development advocates should actively invoke these coherent global norms in Doha negotiating bodies and in any other forums where pressure can be applied. In the Round itself, DC negotiators must be the primary persuaders. In broader forums, however, representatives of IDOs, NGOs, and individual development specialists may be in a position to make these arguments to trade officials and other leaders.

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77 Early stages of the Round have clearly demonstrated that negotiations over modalities can shape or block substantive negotiations.

78 For a discussion of normative persuasion, see Abbott and Snidal (2002).
Public diplomacy seems somewhat foreign to the secretive negotiations characteristic of the WTO, but advocates on trade issues from agriculture to IPR have always appealed to wider publics to garner support for their positions. Development advocates have done the same, but in recent years their public diplomacy has been more effectively connected to discussions of foreign assistance and pharmaceutical pricing than to the Round.

Interest-based public diplomacy involves showing interest groups and concerned individuals in the public at large how pro-development actions would benefit them, in the hope that they will demand such actions from their leaders. Examples might include campaigns to educate consumers about the benefits of low-priced imports from DCs, taxpayers about the costs of agricultural export subsidies, or business interests about the export potential of more highly developed Southern markets. Press coverage is typically central to such campaigns. Public education efforts can take place in the advocates’ own countries, or in other states whose decisions are essential in the Round.

Norm-based public diplomacy is widely practiced by human rights and environmental groups (Keck and Sikkink 1998). These advocates appeal to wider publics, typically by framing issues to capture public attention and invoking widely accepted normative principles. A central strategy is “shaming”: publicizing the failure of target actors to observe accepted norms, especially those they profess to follow, and mobilizing public pressure to do so. Norm-based public diplomacy is responsible for much of the recent progress on TRIPS and public health, and it could be productive on many other development issues. Indeed, norm-based public diplomacy seems potentially more fruitful than norm-based bargaining in the WTO. Even the tactic of shaming is feasible, since so many heads of state and government have accepted the recent global commitments on development. Public attention can only be captured intermittently, however, so advocates must plan their efforts carefully.

For the most part, WTO processes have avoided normative debate, instead reducing issues to technical or economic questions (Abbott 2001).

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These political strategies are far from foolproof. At this point, however, they are the most effective approaches for development advocates who seek to give concrete effect to the rhetorical promise of the Declaration and the DDA.
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MINISTERIAL DECLARATION

Adopted on 14 November 2001

1. The multilateral trading system embodied in the World Trade Organization has contributed significantly to economic growth, development and employment throughout the past fifty years. We are determined, particularly in the light of the global economic slowdown, to maintain the process of reform and liberalization of trade policies, thus ensuring that the system plays its full part in promoting recovery, growth and development. We therefore strongly reaffirm the principles and objectives set out in the Marrakesh Agreement Establishing the World Trade Organization, and pledge to reject the use of protectionism.

2. International trade can play a major role in the promotion of economic development and the alleviation of poverty. We recognize the need for all our peoples to benefit from the increased opportunities and welfare gains that the multilateral trading system generates. The majority of WTO Members are developing countries. We seek to place their needs and interests at the heart of the Work Programme adopted...
in this Declaration. Recalling the Preamble to the Marrakesh Agreement, we shall continue to make positive efforts designed to ensure that developing countries, and especially the least-developed among them, secure a share in the growth of world trade commensurate with the needs of their economic development. In this context, enhanced market access, balanced rules, and well targeted, sustainably financed technical assistance and capacity-building programmes have important roles to play.

3. We recognize the particular vulnerability of the least-developed countries and the special structural difficulties they face in the global economy. We are committed to addressing the marginalization of least-developed countries in international trade and to improving their effective participation in the multilateral trading system. We recall the commitments made by Ministers at our meetings in Marrakesh, Singapore and Geneva, and by the international community at the Third UN Conference on Least-Developed Countries in Brussels, to help least-developed countries secure beneficial and meaningful integration into the multilateral trading system and the global economy. We are determined that the WTO will play its part in building effectively on these commitments under the Work Programme we are establishing.

4. We stress our commitment to the WTO as the unique forum for global trade rule-making and liberalization, while also recognizing that regional trade agreements can play an important role in promoting the liberalization and expansion of trade and in fostering development.

5. We are aware that the challenges Members face in a rapidly changing international environment cannot be addressed through measures taken in the trade field alone. We shall continue to work with the Bretton Woods institutions for greater coherence in global economic policy-making.

6. We strongly reaffirm our commitment to the objective of sustainable development, as stated in the Preamble to the Marrakesh Agreement. We are convinced that the aims of upholding and safeguarding an open and non-discriminatory multilateral trading system, and acting for the protection of the environment and the promotion of sustainable development can and must be mutually
supportive. We take note of the efforts by Members to conduct national environmental assessments of trade policies on a voluntary basis. We recognize that under WTO rules no country should be prevented from taking measures for the protection of human, animal or plant life or health, or of the environment at the levels it considers appropriate, subject to the requirement that they are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between countries where the same conditions prevail, or a disguised restriction on international trade, and are otherwise in accordance with the provisions of the WTO Agreements. We welcome the WTO’s continued cooperation with UNEP and other inter-governmental environmental organizations. We encourage efforts to promote cooperation between the WTO and relevant international environmental and developmental organizations, especially in the lead-up to the World Summit on Sustainable Development to be held in Johannesburg, South Africa, in September 2002.

7. We reaffirm the right of Members under the General Agreement on Trade in Services to regulate, and to introduce new regulations on, the supply of services.

8. We reaffirm our declaration made at the Singapore Ministerial Conference regarding internationally recognized core labour standards. We take note of work under way in the International Labour Organization (ILO) on the social dimension of globalization.

9. We note with particular satisfaction that this Conference has completed the WTO accession procedures for China and Chinese Taipei. We also welcome the accession as new Members, since our last Session, of Albania, Croatia, Georgia, Jordan, Lithuania, Moldova and Oman, and note the extensive market-access commitments already made by these countries on accession. These accessions will greatly strengthen the multilateral trading system, as will those of the 28 countries now negotiating their accession. We therefore attach great importance to concluding accession proceedings as quickly as possible. In particular, we are committed to accelerating the accession of least-developed countries.
10. Recognizing the challenges posed by an expanding WTO membership, we confirm our collective responsibility to ensure internal transparency and the effective participation of all Members. While emphasizing the intergovernmental character of the organization, we are committed to making the WTO’s operations more transparent, including through more effective and prompt dissemination of information, and to improve dialogue with the public. We shall therefore at the national and multilateral levels continue to promote a better public understanding of the WTO and to communicate the benefits of a liberal, rules-based multilateral trading system.

11. In view of these considerations, we hereby agree to undertake the broad and balanced Work Programme set out below. This incorporates both an expanded negotiating agenda and other important decisions and activities necessary to address the challenges facing the multilateral trading system.

WORK PROGRAMME

Implementation-Related Issues and Concerns

12. We attach the utmost importance to the implementation-related issues and concerns raised by Members and are determined to find appropriate solutions to them. In this connection, and having regard to the General Council Decisions of 3 May and 15 December 2000, we further adopt the Decision on Implementation-Related Issues and Concerns in document WT/MIN(01)/17 to address a number of implementation problems faced by Members. We agree that negotiations on outstanding implementation issues shall be an integral part of the Work Programme we are establishing, and that agreements reached at an early stage in these negotiations shall be treated in accordance with the provisions of paragraph 47 below. In this regard, we shall proceed as follows: (a) where we provide a specific negotiating mandate in this Declaration, the relevant implementation issues shall be addressed under that mandate; (b) the other outstanding implementation issues shall be addressed as a matter of priority by the relevant WTO bodies, which shall report to the Trade Negotiations Committee, established under paragraph 46 below, by the end of 2002 for appropriate action.
Agriculture

13. We recognize the work already undertaken in the negotiations initiated in early 2000 under Article 20 of the Agreement on Agriculture, including the large number of negotiating proposals submitted on behalf of a total of 121 Members. We recall the long-term objective referred to in the Agreement to establish a fair and market-oriented trading system through a programme of fundamental reform encompassing strengthened rules and specific commitments on support and protection in order to correct and prevent restrictions and distortions in world agricultural markets. We reconfirm our commitment to this programme. Building on the work carried out to date and without prejudging the outcome of the negotiations we commit ourselves to comprehensive negotiations aimed at: substantial improvements in market access; reductions of, with a view to phasing out, all forms of export subsidies; and substantial reductions in trade-distorting domestic support. We agree that special and differential treatment for developing countries shall be an integral part of all elements of the negotiations and shall be embodied in the Schedules of concessions and commitments and as appropriate in the rules and disciplines to be negotiated, so as to be operationally effective and to enable developing countries to effectively take account of their development needs, including food security and rural development. We take note of the non-trade concerns reflected in the negotiating proposals submitted by Members and confirm that non-trade concerns will be taken into account in the negotiations as provided for in the Agreement on Agriculture.

14. Modalities for the further commitments, including provisions for special and differential treatment, shall be established no later than 31 March 2003. Participants shall submit their comprehensive draft Schedules based on these modalities no later than the date of the Fifth Session of the Ministerial Conference. The negotiations, including with respect to rules and disciplines and related legal texts, shall be concluded as part and at the date of conclusion of the negotiating agenda as a whole.
Services

15. The negotiations on trade in services shall be conducted with a view to promoting the economic growth of all trading partners and the development of developing and least-developed countries. We recognize the work already undertaken in the negotiations, initiated in January 2000 under Article XIX of the General Agreement on Trade in Services, and the large number of proposals submitted by Members on a wide range of sectors and several horizontal issues, as well as on movement of natural persons. We reaffirm the Guidelines and Procedures for the Negotiations adopted by the Council for Trade in Services on 28 March 2001 as the basis for continuing the negotiations, with a view to achieving the objectives of the General Agreement on Trade in Services, as stipulated in the Preamble, Article IV and Article XIX of that Agreement. Participants shall submit initial requests for specific commitments by 30 June 2002 and initial offers by 31 March 2003.

Market Access for Non-agricultural Products

16. We agree to negotiations which shall aim, by modalities to be agreed, to reduce or as appropriate eliminate tariffs, including the reduction or elimination of tariff peaks, high tariffs, and tariff escalation, as well as non-tariff barriers, in particular on products of export interest to developing countries. Product coverage shall be comprehensive and without a priori exclusions. The negotiations shall take fully into account the special needs and interests of developing and least-developed country participants, including through less than full reciprocity in reduction commitments, in accordance with the relevant provisions of Article XXVIII bis of GATT 1994 and the provisions cited in paragraph 50 below. To this end, the modalities to be agreed will include appropriate studies and capacity-building measures to assist least-developed countries to participate effectively in the negotiations.

Trade-Related Aspects of Intellectual Property Rights

17. We stress the importance we attach to implementation and interpretation of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) in a manner supportive of public health, by promoting both access to existing medicines and research
and development into new medicines and, in this connection, are adopting a separate Declaration.

18. With a view to completing the work started in the Council for Trade-Related Aspects of Intellectual Property Rights (Council for TRIPS) on the implementation of Article 23.4, we agree to negotiate the establishment of a multilateral system of notification and registration of geographical indications for wines and spirits by the Fifth Session of the Ministerial Conference. We note that issues related to the extension of the protection of geographical indications provided for in Article 23 to products other than wines and spirits will be addressed in the Council for TRIPS pursuant to paragraph 12 of this Declaration.

19. We instruct the Council for TRIPS, in pursuing its work programme including under the review of Article 27.3(b), the review of the implementation of the TRIPS Agreement under Article 71.1 and the work foreseen pursuant to paragraph 12 of this Declaration, to examine, inter alia, the relationship between the TRIPS Agreement and the Convention on Biological Diversity, the protection of traditional knowledge and folklore, and other relevant new developments raised by Members pursuant to Article 71.1. In undertaking this work, the TRIPS Council shall be guided by the objectives and principles set out in Articles 7 and 8 of the TRIPS Agreement and shall take fully into account the development dimension.

Relationship between Trade and Investment

20. Recognizing the case for a multilateral framework to secure transparent, stable and predictable conditions for long-term cross-border investment, particularly foreign direct investment, that will contribute to the expansion of trade, and the need for enhanced technical assistance and capacity-building in this area as referred to in paragraph 21, we agree that negotiations will take place after the Fifth Session of the Ministerial Conference on the basis of a decision to be taken, by explicit consensus, at that Session on modalities of negotiations.

21. We recognize the needs of developing and least-developed countries for enhanced support for technical assistance and capacity building in this area, including policy analysis and development so that
they may better evaluate the implications of closer multilateral cooperation for their development policies and objectives, and human and institutional development. To this end, we shall work in cooperation with other relevant intergovernmental organisations, includingUNCTAD, and through appropriate regional and bilateral channels, to provide strengthened and adequately resourced assistance to respond to these needs.

22. In the period until the Fifth Session, further work in the Working Group on the Relationship Between Trade and Investment will focus on the clarification of: scope and definition; transparency; non-discrimination; modalities for pre-establishment commitments based on a GATS-type, positive list approach; development provisions; exceptions and balance-of-payments safeguards; consultation and the settlement of disputes between Members. Any framework should reflect in a balanced manner the interests of home and host countries, and take due account of the development policies and objectives of host governments as well as their right to regulate in the public interest. The special development, trade and financial needs of developing and least-developed countries should be taken into account as an integral part of any framework, which should enable Members to undertake obligations and commitments commensurate with their individual needs and circumstances. Due regard should be paid to other relevant WTO provisions. Account should be taken, as appropriate, of existing bilateral and regional arrangements on investment.

Interaction between Trade and Competition Policy

23. Recognizing the case for a multilateral framework to enhance the contribution of competition policy to international trade and development, and the need for enhanced technical assistance and capacity-building in this area as referred to in paragraph 24, we agree that negotiations will take place after the Fifth Session of the Ministerial Conference on the basis of a decision to be taken, by explicit consensus, at that Session on modalities of negotiations.

24. We recognize the needs of developing and least-developed countries for enhanced support for technical assistance and capacity building in this area, including policy analysis and development so that

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they may better evaluate the implications of closer multilateral cooperation for their development policies and objectives, and human and institutional development. To this end, we shall work in cooperation with other relevant intergovernmental organisations, including UNCTAD, and through appropriate regional and bilateral channels, to provide strengthened and adequately resourced assistance to respond to these needs.

25. In the period until the Fifth Session, further work in the Working Group on the Interaction between Trade and Competition Policy will focus on the clarification of: core principles, including transparency, non-discrimination and procedural fairness, and provisions on hardcore cartels; modalities for voluntary cooperation; and support for progressive reinforcement of competition institutions in developing countries through capacity building. Full account shall be taken of the needs of developing and least-developed country participants and appropriate flexibility provided to address them.

Transparency in Government Procurement

26. Recognizing the case for a multilateral agreement on transparency in government procurement and the need for enhanced technical assistance and capacity building in this area, we agree that negotiations will take place after the Fifth Session of the Ministerial Conference on the basis of a decision to be taken, by explicit consensus, at that Session on modalities of negotiations. These negotiations will build on the progress made in the Working Group on Transparency in Government Procurement by that time and take into account participants’ development priorities, especially those of least-developed country participants. Negotiations shall be limited to the transparency aspects and therefore will not restrict the scope for countries to give preferences to domestic supplies and suppliers. We commit ourselves to ensuring adequate technical assistance and support for capacity building both during the negotiations and after their conclusion.

Trade Facilitation

27. Recognizing the case for further expediting the movement, release and clearance of goods, including goods in transit, and the need
for enhanced technical assistance and capacity building in this area, we agree that negotiations will take place after the Fifth Session of the Ministerial Conference on the basis of a decision to be taken, by explicit consensus, at that Session on modalities of negotiations. In the period until the Fifth Session, the Council for Trade in Goods shall review and as appropriate, clarify and improve relevant aspects of Articles V, VIII and X of the GATT 1994 and identify the trade facilitation needs and priorities of Members, in particular developing and least-developed countries. We commit ourselves to ensuring adequate technical assistance and support for capacity building in this area.

WTO Rules

28. In the light of experience and of the increasing application of these instruments by Members, we agree to negotiations aimed at clarifying and improving disciplines under the Agreements on Implementation of Article VI of the GATT 1994 and on Subsidies and Countervailing Measures, while preserving the basic concepts, principles and effectiveness of these Agreements and their instruments and objectives, and taking into account the needs of developing and least-developed participants. In the initial phase of the negotiations, participants will indicate the provisions, including disciplines on trade distorting practices, that they seek to clarify and improve in the subsequent phase. In the context of these negotiations, participants shall also aim to clarify and improve WTO disciplines on fisheries subsidies, taking into account the importance of this sector to developing countries. We note that fisheries subsidies are also referred to in paragraph 31.

29. We also agree to negotiations aimed at clarifying and improving disciplines and procedures under the existing WTO provisions applying to regional trade agreements. The negotiations shall take into account the developmental aspects of regional trade agreements.

Dispute Settlement Understanding

30. We agree to negotiations on improvements and clarifications of the Dispute Settlement Understanding. The negotiations should be based on the work done thus far as well as any additional proposals by
Members, and aim to agree on improvements and clarifications not later than May 2003, at which time we will take steps to ensure that the results enter into force as soon as possible thereafter.

Trade and Environment

31. With a view to enhancing the mutual supportiveness of trade and environment, we agree to negotiations, without prejudging their outcome, on:

(i) the relationship between existing WTO rules and specific trade obligations set out in multilateral environmental agreements (MEAs). The negotiations shall be limited in scope to the applicability of such existing WTO rules as among parties to the MEA in question. The negotiations shall not prejudice the WTO rights of any Member that is not a party to the MEA in question;

(ii) procedures for regular information exchange between MEA Secretariats and the relevant WTO committees, and the criteria for the granting of observer status;

(iii) the reduction or, as appropriate, elimination of tariff and non-tariff barriers to environmental goods and services.

We note that fisheries subsidies form part of the negotiations provided for in paragraph 28.

32. We instruct the Committee on Trade and Environment, in pursuing work on all items on its agenda within its current terms of reference, to give particular attention to:

(i) the effect of environmental measures on market access, especially in relation to developing countries, in particular the least-developed among them, and those situations in which the elimination or reduction of trade restrictions and distortions would benefit trade, the environment and development.
(ii) the relevant provisions of the Agreement on Trade-Related Aspects of Intellectual Property Rights; and

(iii) labelling requirements for environmental purposes.

Work on these issues should include the identification of any need to clarify relevant WTO rules. The Committee shall report to the Fifth Session of the Ministerial Conference, and make recommendations, where appropriate, with respect to future action, including the desirability of negotiations. The outcome of this work as well as the negotiations carried out under paragraph 31(i) and (ii) shall be compatible with the open and non-discriminatory nature of the multilateral trading system, shall not add to or diminish the rights and obligations of Members under existing WTO agreements, in particular the Agreement on the Application of Sanitary and Phytosanitary Measures, nor alter the balance of these rights and obligations, and will take into account the needs of developing and least-developed countries.

33. We recognize the importance of technical assistance and capacity building in the field of trade and environment to developing countries, in particular the least-developed among them. We also encourage that expertise and experience be shared with Members wishing to perform environmental reviews at the national level. A report shall be prepared on these activities for the Fifth Session.

Electronic Commerce

34. We take note of the work which has been done in the General Council and other relevant bodies since the Ministerial Declaration of 20 May 1998 and agree to continue the Work Programme on Electronic Commerce. The work to date demonstrates that electronic commerce creates new challenges and opportunities for trade for Members at all stages of development, and we recognize the importance of creating and maintaining an environment which is favourable to the future development of electronic commerce. We instruct the General Council to consider the most appropriate institutional arrangements for handling the Work Programme, and to report on further progress to the Fifth
Session of the Ministerial Conference. We declare that Members will maintain their current practice of not imposing customs duties on electronic transmissions until the Fifth Session.

Small Economies

35. We agree to a work programme, under the auspices of the General Council, to examine issues relating to the trade of small economies. The objective of this work is to frame responses to the trade-related issues identified for the fuller integration of small, vulnerable economies into the multilateral trading system, and not to create a sub-category of WTO Members. The General Council shall review the work programme and make recommendations for action to the Fifth Session of the Ministerial Conference.

Trade, Debt and Finance

36. We agree to an examination, in a Working Group under the auspices of the General Council, of the relationship between trade, debt and finance, and of any possible recommendations on steps that might be taken within the mandate and competence of the WTO to enhance the capacity of the multilateral trading system to contribute to a durable solution to the problem of external indebtedness of developing and least-developed countries, and to strengthen the coherence of international trade and financial policies, with a view to safeguarding the multilateral trading system from the effects of financial and monetary instability. The General Council shall report to the Fifth Session of the Ministerial Conference on progress in the examination.

Trade and Transfer of Technology

37. We agree to an examination, in a Working Group under the auspices of the General Council, of the relationship between trade and transfer of technology, and of any possible recommendations on steps that might be taken within the mandate of the WTO to increase flows of technology to developing countries. The General Council shall report to the Fifth Session of the Ministerial Conference on progress in the examination.
Technical Cooperation and Capacity Building

38. We confirm that technical cooperation and capacity building are core elements of the development dimension of the multilateral trading system, and we welcome and endorse the New Strategy for WTO Technical Cooperation for Capacity Building, Growth and Integration. We instruct the Secretariat, in coordination with other relevant agencies, to support domestic efforts for mainstreaming trade into national plans for economic development and strategies for poverty reduction. The delivery of WTO technical assistance shall be designed to assist developing and least-developed countries and low-income countries in transition to adjust to WTO rules and disciplines, implement obligations and exercise the rights of membership, including drawing on the benefits of an open, rules-based multilateral trading system. Priority shall also be accorded to small, vulnerable, and transition economies, as well as to Members and Observers without representation in Geneva. We reaffirm our support for the valuable work of the International Trade Centre, which should be enhanced.

39. We underscore the urgent necessity for the effective coordinated delivery of technical assistance with bilateral donors, in the OECD Development Assistance Committee and relevant international and regional intergovernmental institutions, within a coherent policy framework and timetable. In the coordinated delivery of technical assistance, we instruct the Director-General to consult with the relevant agencies, bilateral donors and beneficiaries, to identify ways of enhancing and rationalizing the Integrated Framework for Trade-Related Technical Assistance to Least-Developed Countries and the Joint Integrated Technical Assistance Programme (JITAP).

40. We agree that there is a need for technical assistance to benefit from secure and predictable funding. We therefore instruct the Committee on Budget, Finance and Administration to develop a plan for adoption by the General Council in December 2001 that will ensure long-term funding for WTO technical assistance at an overall level no lower than that of the current year and commensurate with the activities outlined above.
41. We have established firm commitments on technical cooperation and capacity building in various paragraphs in this Ministerial Declaration. We reaffirm these specific commitments contained in paragraphs 16, 21, 24, 26, 27, 33, 38-40, 42 and 43, and also reaffirm the understanding in paragraph 2 on the important role of sustainably financed technical assistance and capacity-building programmes. We instruct the Director-General to report to the Fifth Session of the Ministerial Conference, with an interim report to the General Council in December 2002 on the implementation and adequacy of these commitments in the identified paragraphs.

Least-Developed Countries

42. We acknowledge the seriousness of the concerns expressed by the least-developed countries (LDCs) in the Zanzibar Declaration adopted by their Ministers in July 2001. We recognize that the integration of the LDCs into the multilateral trading system requires meaningful market access, support for the diversification of their production and export base, and trade-related technical assistance and capacity building. We agree that the meaningful integration of LDCs into the trading system and the global economy will involve efforts by all WTO Members. We commit ourselves to the objective of duty-free, quota-free market access for products originating from LDCs. In this regard, we welcome the significant market access improvements by WTO Members in advance of the Third UN Conference on LDCs (LDC-III), in Brussels, May 2001. We further commit ourselves to consider additional measures for progressive improvements in market access for LDCs. Accession of LDCs remains a priority for the Membership. We agree to work to facilitate and accelerate negotiations with acceding LDCs. We instruct the Secretariat to reflect the priority we attach to LDCs’ accessions in the annual plans for technical assistance. We reaffirm the commitments we undertook at LDC-III, and agree that the WTO should take into account, in designing its work programme for LDCs, the trade-related elements of the Brussels Declaration and Programme of Action, consistent with the WTO’s mandate, adopted at LDC-III. We instruct the Sub-Committee for Least-Developed Countries to design such a work programme and to report on the agreed work programme to the General Council at its first meeting in 2002.
43. We endorse the Integrated Framework for Trade-Related Technical Assistance to Least-Developed Countries (IF) as a viable model for LDCs’ trade development. We urge development partners to significantly increase contributions to the IF Trust Fund and WTO extra-budgetary trust funds in favour of LDCs. We urge the core agencies, in coordination with development partners, to explore the enhancement of the IF with a view to addressing the supply-side constraints of LDCs and the extension of the model to all LDCs, following the review of the IF and the appraisal of the ongoing Pilot Scheme in selected LDCs. We request the Director-General, following coordination with heads of the other agencies, to provide an interim report to the General Council in December 2002 and a full report to the Fifth Session of the Ministerial Conference on all issues affecting LDCs.

Special and Differential Treatment

44. We reaffirm that provisions for special and differential treatment are an integral part of the WTO Agreements. We note the concerns expressed regarding their operation in addressing specific constraints faced by developing countries, particularly least-developed countries. In that connection, we also note that some Members have proposed a Framework Agreement on Special and Differential Treatment (WT/GC/W/442). We therefore agree that all special and differential treatment provisions shall be reviewed with a view to strengthening them and making them more precise, effective and operational. In this connection, we endorse the work programme on special and differential treatment set out in the Decision on Implementation-Related Issues and Concerns.

ORGANIZATION AND MANAGEMENT OF THE WORK PROGRAMME

45. The negotiations to be pursued under the terms of this Declaration shall be concluded not later than 1 January 2005. The Fifth Session of the Ministerial Conference will take stock of progress in the negotiations, provide any necessary political guidance, and take decisions as necessary. When the results of the negotiations in all areas have been established, a Special Session of the Ministerial Conference

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will be held to take decisions regarding the adoption and implementation of those results.

46. The overall conduct of the negotiations shall be supervised by a Trade Negotiations Committee under the authority of the General Council. The Trade Negotiations Committee shall hold its first meeting not later than 31 January 2002. It shall establish appropriate negotiating mechanisms as required and supervise the progress of the negotiations.

47. With the exception of the improvements and clarifications of the Dispute Settlement Understanding, the conduct, conclusion and entry into force of the outcome of the negotiations shall be treated as parts of a single undertaking. However, agreements reached at an early stage may be implemented on a provisional or a definitive basis. Early agreements shall be taken into account in assessing the overall balance of the negotiations.

48. Negotiations shall be open to:

(i) all Members of the WTO; and

(ii) States and separate customs territories currently in the process of accession and those that inform Members, at a regular meeting of the General Council, of their intention to negotiate the terms of their membership and for whom an accession working party is established.

Decisions on the outcomes of the negotiations shall be taken only by WTO Members.

49. The negotiations shall be conducted in a transparent manner among participants, in order to facilitate the effective participation of all. They shall be conducted with a view to ensuring benefits to all participants and to achieving an overall balance in the outcome of the negotiations.

50. The negotiations and the other aspects of the Work Programme shall take fully into account the principle of special and differential
treatment for developing and least-developed countries embodied in: Part IV of the GATT 1994; the Decision of 28 November 1979 on Differential and More Favourable Treatment, Reciprocity and Fuller Participation of Developing Countries; the Uruguay Round Decision on Measures in Favour of Least-Developed Countries; and all other relevant WTO provisions.

51. The Committee on Trade and Development and the Committee on Trade and Environment shall, within their respective mandates, each act as a forum to identify and debate developmental and environmental aspects of the negotiations, in order to help achieve the objective of having sustainable development appropriately reflected.

52. Those elements of the Work Programme which do not involve negotiations are also accorded a high priority. They shall be pursued under the overall supervision of the General Council, which shall report on progress to the Fifth Session of the Ministerial Conference.