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The Uruguay Round of trade negotiations gave birth to a powerful institution in the international marketplace, the World Trade Organization, which was a far more ambitious project than the GATT, going far beyond simply reducing tariffs on industrial goods, lowering the tariffs in agricultural goods, through the Agreement on Agriculture, limiting the scope for countries to determine their domestic support levels through the Agreement on Subsidies and Countervailing Measures (ASCM) and the General Agreement on Trade and Tariffs (GATT), and going significantly less advanced to economic and intellectual property rights Agreement (TRIPS) and a superordinating development concerns to free trade principles favorable to

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Brushing aside UNCTAD's warning, the so-called "Doha Development Round" trade talks were launched in late 2001. The talks had been on a long time-out. A major factor was the early 2000s coffee price and export market crash. Meanwhile, the economic crisis after the attack on the World Trade Center in the United States was a concern for some countries. But the crisis was not the cause. It was driven, a boost in the Geneva General Council, by the end of the 2004.

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1 United Nations Conference on Trade and Development (UNCTAD), *Trade and Development Report*. New York and Geneva 1999.

2 For more details, see Kwa, A., *Power Politics in the WTO*, published by Focus on the Global South 2003, and Jawara, F. and Kwa, A., *Behind the Scenes at the WTO*, Zed 2004.

3 See Zoellick, R., "Countering Terror with Trade," *Washington Post*, 20 September 2001.

4 Shukla, S.P., Developed Countries' Trade Policies: Disguised Unilateralism? A Chronicle of Manipulated Multilateralism, Paper presented at the First Annual International Forum for Development, New York, October 18-19, 2004.

Special and Differential Treatment provisions have proved to be ineffective, hence the promise in Doha to make them “effective” and “operational”. Unfortunately, these promises have remained unfulfilled despite deadlines that have long passed.

6 Shukla, S.P. 2004, p. 8.

On paper, each country has an equal voice. In reality, power is exercised through a handful of nations, which are handicapped by a small minority. Since the Doha 2001 Ministerial Conference, the views of developing countries have been rendered invisible. At a stroke of a pen, the views of the forward process of decision-making takes place behind closed doors⁸ and only a select few are involved in the former. The Membership is then brought on board to adopt a decision which they had no part in formulating. Developing countries that revolted in Cancun paid a high price in terms of being publicly blamed as being uncooperative “won’t do” countries (see also Jawara and Kwa 2004, chapter on Cancun). See WTO, *Preparatory Process in Geneva and Negotiating Procedure at the Ministerial Conferences: Communication from Cuba, Dominican Republic, Egypt, Honduras, India, Indonesia, Jamaica, Kenya, Malaysia, Mauritius, Pakistan, Sri Lanka, Tanzania, Uganda and Zimbabwe*, WT/GC/W/471, 24 April 2002. Other attempts to have proper rules of procedure also took place in January/February 2002 when the Trade Negotiations Committee Chair was being selected. See also Jawara and Kwa 2004, chapter “After Doha”. See WTO, *Preparatory Process in Geneva and Negotiating Process at Ministerial Conferences: Communication from Australia, Canada, Hong Kong-China, Korea, Mexico, New Zealand, Singapore, Switzerland*, WT/GC/W/447, 28 June 2002. Whilst the US and EU are not signatories to this paper, they nevertheless share similar views. The experiences of developed countries have been amply illustrated by Ha Joon Chang, *Kicking Away the Ladder: How the Economic and Intellectual Histories of*

Due to these procedural irregularities, developing countries have repeatedly expressed their dissatisfaction with the WTO. In the words of the Chair of the Ministerial Conference, “the views of developing countries have been rendered invisible. At a stroke of a pen, the views of the forward process of decision-making takes place behind closed doors⁸ and only a select few are involved in the former. The Membership is then brought on board to adopt a decision which they had no part in formulating. Developing countries that revolted in Cancun paid a high price in terms of being publicly blamed as being uncooperative “won’t do” countries (see also Jawara and Kwa 2004, chapter on Cancun). See WTO, *Preparatory Process in Geneva and Negotiating Procedure at the Ministerial Conferences: Communication from Cuba, Dominican Republic, Egypt, Honduras, India, Indonesia, Jamaica, Kenya, Malaysia, Mauritius, Pakistan, Sri Lanka, Tanzania, Uganda and Zimbabwe*, WT/GC/W/471, 24 April 2002. Other attempts to have proper rules of procedure also took place in January/February 2002 when the Trade Negotiations Committee Chair was being selected. See also Jawara and Kwa 2004, chapter “After Doha”. See WTO, *Preparatory Process in Geneva and Negotiating Process at Ministerial Conferences: Communication from Australia, Canada, Hong Kong-China, Korea, Mexico, New Zealand, Singapore, Switzerland*, WT/GC/W/447, 28 June 2002. Whilst the US and EU are not signatories to this paper, they nevertheless share similar views. The experiences of developed countries have been amply illustrated by Ha Joon Chang, *Kicking Away the Ladder: How the Economic and Intellectual Histories of*

Despite their occasional ability to come together and challenge the WTO, developing countries are not in a position to do so. Their negotiating capacity is heavily weighted against the developing world.

WTO’s Litany of Failures

Getting the Fundamentals Terribly Wrong: The Myths of Integration and Exports. Firstly, the fundamentals of the institution are wrong. Openness, integration and countries that expound this dogma does not tally with what they preach.

7 See, for example, Antigua and Barbuda’s statement to the Heads of Delegations meeting at the Cancun 2003 Ministerial in response to the Chair’s 13 September text: “We do not recognize in this text the consensus we heard articulated in those groups on the development issues, small economy issues and Singapore issues. ... And on cotton we believe the response ... to the arguments put forward by Africa is insulting and unworthy of this organization.” India on the same occasion said, “It would appear that the views expressed by a large number of developing countries on the need for further clarification have been completely ignored. This is yet another instance of the deliberate neglect of views of a large number of developing countries. It represents an attempt to thrust the views of a few countries on many developing countries.”

8 We are distinguishing here between the *process* of decision-making, and decision-taking. A select few are involved in the former. The Membership is then brought on board to adopt a decision which they had no part in formulating.

9 Developing countries that revolted in Cancun paid a high price in terms of being publicly blamed as being uncooperative “won’t do” countries (see also Jawara and Kwa 2004, chapter on Cancun).

10 See WTO, *Preparatory Process in Geneva and Negotiating Procedure at the Ministerial Conferences: Communication from Cuba, Dominican Republic, Egypt, Honduras, India, Indonesia, Jamaica, Kenya, Malaysia, Mauritius, Pakistan, Sri Lanka, Tanzania, Uganda and Zimbabwe*, WT/GC/W/471, 24 April 2002. Other attempts to have proper rules of procedure also took place in January/February 2002 when the Trade Negotiations Committee Chair was being selected. See also Jawara and Kwa 2004, chapter “After Doha”.

11 See WTO, *Preparatory Process in Geneva and Negotiating Process at Ministerial Conferences: Communication from Australia, Canada, Hong Kong-China, Korea, Mexico, New Zealand, Singapore, Switzerland*, WT/GC/W/447, 28 June 2002. Whilst the US and EU are not signatories to this paper, they nevertheless share similar views.

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Developing countries following much the same pattern of declining terms of trade that is typical of the agricultural sector. Based on the averaging experience during the past 15 years, developing countries, however, need to achieve a higher degree of diversification of exports and import and/or to take more advantage of the weak caveat that various contentious issues required additional negotiations.

Erosion of Basic Services for the Poor

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A large number of developing countries do not have good regulatory frameworks to begin with.¹⁰ Current GATS negotiations could easily lock in these

19 Statistics showing expansion of technology and skill-intensive exports from developing countries, according to UNCTAD, are misleading. Much of the skills in these exports come from components that are still produced in the developed world.

20 See the ACP (African, Caribbean and Pacific Countries) Ministerial Declaration of 12 July 2004.

21 These contentious issues include: the non-linear tariff cutting formula (ie very aggressive tariff cuts); the treatment of tariff bindings; and the sectoral approach.

22 Built into the GATS agreement was a clause that said new market access negotiations would commence in 2000 (after an assessment). GATS market access negotiations take place first bilaterally. Requests to liberalize services markets are made to trade partners who can then decide whether or not to make offers of liberalization. Offers are negotiated bilaterally. The offers are subsequently provided to all WTO members.

23 See Raghavan, C., in Drafts Notes for Commonwealth Consultation Meeting, South-North Development Monitor, 2000.

24 Mashayekhi, M., GATS 2000 Negotiations: Options for Developing Countries, Trade-Related Agenda, Development and Equity Working Paper No. 9, South Centre, Geneva 2000.

25 United Nations Development Programme (UNDP), *Human Development Report 2003*, p. 113.

26 Kessler, T. and Alexander, N., *Assessing the Risks in the Private Provision of Essential Services*, UNCTAD G24 discussion paper, 2004, p. 11.

27 According to the World Bank study *Privatisation in Africa* (1998), in not one country with a privatization programme in Africa has there been an effort to develop

weak systems and pre-empt any future regulatory measures to limit the powers of monopolies and protect public and essential services.

Intellectual Property: Ensuring the Technological Dominance of Northern Corporations

With the rapid development of science and technology, the protection of intellectual property rights has become an important part of the national economic and social development strategy. In the past, the protection of intellectual property rights was mainly limited to the protection of patents, trademarks, and copyrights. However, with the rapid development of science and technology, the protection of intellectual property rights has become more and more complex. In particular, the protection of intellectual property rights in the field of biotechnology has become a major challenge for the world. In order to protect the legitimate rights and interests of the owners of intellectual property rights, the government should strengthen the protection of intellectual property rights, improve the legal system, and strengthen the supervision and management of intellectual property rights. At the same time, the government should also strengthen the publicity and education of intellectual property rights, so that the public can understand the importance of intellectual property rights and actively participate in the protection of intellectual property rights.

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The Way Forward

The failures of trade liberalization and the single-minded obsession with export-led growth have worsened the economic crisis now being witnessed in Asia. The Asian financial crisis has exposed the fragility of the export-led growth strategy, and the stagnation and disintegration of their industries, the WTO institutionalizes the subordination of development to corporate free

Fundamental principles for a new trade regime

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Strategies for change

Perhaps the most striking feature of the WTO in the last ten years is its members' determination to overcome the deeply entrenched political and economic interests behind its agenda.

Can this scenario change? Yes, although it would require concerted effort by the five major powers, which in the past have been reluctant to do so. The only way to do so is to place a higher priority on the promotion of free trade, especially on the part of the United States, and to ensure that the positions that each country has taken are based on the interests of the people in their countries.

a regulatory framework as an integral part of that programme. The experience in Latin American has not been vastly different, where widespread privatization has been encouraged, but transfer of ownership has been hurried or performed under constraints that overlook the importance of regulating private monopolies (Kessler and Alexander 2004).

28 Whilst not undermining the importance of foreign exchange remittances for many developing countries, there are also huge social and personal costs involved with Mode IV, and these costs are greatest for women and children. A more holistic strategy to development in the long term is to invigorate the domestic economy so that people can remain employed in their home country if they choose to, instead of being forced by poverty to leave.

29 UNCTAD 2002, p. 63.

30 Correa, C., "Access to Drugs under TRIPS: A Not So Expeditious Solution", *Bridges*, No. 1, International Centre for Trade and Sustainable Development, Geneva, January 2004.

31 See Sexton, S., "Trading Health Care Away? GATS, Public Services and Privatisation," *South Bulletin*, No. 15, South Centre, July 2001.

oil leadership in the South. The leadership of the G20 and the G99 led to the WTO Ministerial.

The events since Cancun have been disappointing: the divide and rule tactics of the USA, South Africa and Brazil's opposition to the WTO, the WTO's failure to resolve the dispute, and the WTO's failure to resolve the dispute, and sustained, can certainly shift the power dynamics within the institution.

For the immediate term, the objective is to stall further negotiations in the Doha direction for the world's poor.¹³ are pulling the organization in the wrong

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