

Framework for Fair Trade and Poverty Eradication

Introduction

Eradication of poverty is a shared and moral responsibility of the international community. In spite of rapid economic growth in many parts of the world, the absolute number of poor (population living on less than a dollar a day) was still steady at around 1.2 billion in 1998. If we take a higher cut-off point of \$2 per day, it would encompass 2.8 billion people, or almost half of the world's population.

The OECD's (Organisation for Economic Co-operation and Development) Development Assistance Committee selected a core set of development goals and set targets to measure success. What are now known as "the international development goals" were organised under three themes:

- Economic well being;
- Social development; and
- Environmental sustainability.

The goal set for economic well being was stated as: "the proportion of people living in extreme poverty in developing countries should be reduced by at least one-half by 2015". This noble objective was dubbed "strategy21".

The targets have been endorsed by the World Bank (WB), the International Monetary Fund (IMF), the European Union and 77 African, Caribbean and Pacific countries as part of the Cotonou agreement. Many of the targets were also endorsed by 149 Heads of State at the UN Millennium Summit held in New York. There is now an unprecedented international consensus around these targets.

However, mere setting of ambitious goals will not deliver the goods. For example, the *Alma Ata* declaration of 1978 urged all the nations to make full use of available resources as well as mobilise the human potential of all the communities to implement the policy of *Health for All*. Today, what have we achieved on the health front? Millions of poor people still do not have access to basic health services!

Clearly, a new global strategy with more resources, a sharper focus and a stronger commitment needs to be mounted. The international community has to squarely face the task of reforming the global enabling-environment to accelerate poverty reduction. Developing countries – weighed down by external debt, starved of private capital and technology, blocked from rich-country markets and faced with declining official development assistance – cannot be expected to go into battle without reinforcements (UNDP Poverty Report 2000).

A combination of policies, both at the national and international levels, is required to tackle the problem of poverty. Trade expansion is one of the routes. It is true that the linkages between trade and poverty are not as direct and immediate as the linkages between poverty and national policies on education, health, land reforms, micro-credits, infrastructure, governance, etc. Trade can, nevertheless, affect the income opportunities of the poor in a number of ways. It results in higher economic growth, which may not be a sufficient criterion for poverty eradication but definitely an essential one.

Empirical evidence also seems to indicate that trade liberalisation is generally a positive contributor to poverty alleviation. It allows people to exploit their productive potential, assists in economic growth, curtails arbitrary policy interventions and helps insulate against shocks. Virtually all the countries that have been successful in achieving significant rates of economic growth since the 1960s are the ones that have utilised available trade opportunities, while those countries that have erected barriers against trade appear to have fallen behind in terms of economic growth and development.

The launching of the Uruguay Round (UR) of trade negotiations and its culmination in the setting up of World Trade Organisation (WTO) in 1995 brought hope to the world community of eradicating the problem of poverty, this time by following the international trade route. Many economists had advocated the use of "trade as an engine of growth". As already mentioned, there is also sufficient empirical evidence to support this argument.

With the setting up of the WTO in 1995, it was hoped that international trade would become more free and fair. The developing countries would get the opportunities to reverse the long continuing adverse terms of trade for their exports. However, the WTO, in its brief span of operation, has so far not been able to provide a freer and fairer trade regime to the satisfaction of all.

The developing country members are still unable to penetrate the markets of the developed countries. The two markets of most importance to the southern economies, agriculture and textiles, are among the most protected in the West.

The very aim of the WTO is diluted if there is any distortion in market forces. Many of the developed countries have not truly reciprocated to the concessions given by the poor countries under the various WTO agreements. For example, in agriculture, the tariffs of many agriculture items of interest to the developing countries are prohibitively high (some are over 200 and 300 percent). Domestic subsidies in the OECD countries have risen from US\$275bn (annual average for base period 1986-88) to US\$361bn in 1999 (according to the OECD data) instead of declining. This is 1.4 percent of the OECD's GDP.

The parties to the Marrakesh Agreement, establishing the WTO, recognised that there is need for positive efforts to ensure that the developing countries, especially the least developed ones, secure a share in the growth in international trade, commensurate with the needs of their economic development. The Agreement is also determined to preserve the basic principles on which the foundation of the WTO is laid. These basic principles are:

- Non-discrimination between countries: The Most Favoured Nation treatment
- Non-discrimination within a country: National Treatment

- Freer Trade: Gradually through negotiation
- Predictability: Through binding of tariff rates

Over the years, the problems vis-à-vis realisation of market access opportunities, which the developing countries have faced so far, emerge from both the supply-side and the demand-side. Of course, there are certain positive factors also on both the demand and the supply-side. However, many countries are not in a position to capitalise on them in a systematic manner. The situations that have emerged from the functioning of the WTO over the last 5 years have not resulted in enough opportunities for the developing countries to increase their share in world trade.

Apart from the supply and demand-side constraints, there are many other issues which need to be addressed. Some of them are systemic, while others are collateral. These residual, but crucial, issues do not fit in with the conventional agenda of the WTO. These are:

- Existing negotiating environment;
- Negotiating capacity;
- Proliferation of regional trading arrangements (RTAs), etc.

The subsequent sections of this paper highlight various issues concerning the market access potential of the developing countries. These have been substantiated with empirical data. They are required to be addressed by the international community on a priority basis. Otherwise, the notion 'trade as an engine of growth' may not hold true.

Demand Side Factors

Factors	Situation	Policy Responses
<ul style="list-style-type: none"> • Untapped market exists in the developed countries. • Trade barriers are less. Quotas have almost been abolished and tariffs have been reduced significantly. 	<ul style="list-style-type: none"> • The world merchandise exports have increased from US\$3639bn in 1993 to US\$5473bn in 1999. • In 1999, the share of the Quad countries (US, EU, Canada and Japan) in total world merchandise import was 67 percent, approximately, (including intra-EU imports) and in export it was 65 percent. The share of the developing countries is still very low in these markets. • During the period between 1990 to 1998, more than 62 percent of the increase in total world trade occurred between the advanced countries. • The share of LDCs, (which comprises more than one-third of the total membership of WTO) in international trade has always been low. Even after the setting up of the WTO, the share is very low at 0.42 percent in 1998. In fact, it fell down in the post-WTO period. 	<ul style="list-style-type: none"> • Exploring the non-traditional markets and diversifying the direction of trade. Most of the developing countries have so far targeted traditional markets like USA, UK, Germany, France and Japan for their exports. Newly Industrialised Countries (NICs) and Emerging and Transition Economies (ETE) are also potential markets in this era of globalisation.
<ul style="list-style-type: none"> • Special and Differential (S&D) Treatment to the developing countries, especially the LDCs. 	<ul style="list-style-type: none"> • Developing countries have not benefited much from the 145 S&D provisions of the Uruguay Round Agreements, which do not go beyond a best-endeavour promise and, hence, cannot be enforced legally. 	<ul style="list-style-type: none"> • S&DT is a cross-cutting issue, which applies to almost all the WTO Agreements. Hence, the developing countries should propose a stand-alone agreement on it. The agreement should contain that all S&D provisions are converted into concrete commitments and are legally binding through the dispute settlement system.

Factors	Situation	Policy Responses
<ul style="list-style-type: none"> Duty free access for LDCs in the EU market through Everything But Arms Proposal (EBA). 	<ul style="list-style-type: none"> The EU, even prior to the EBA proposal, offered the best-market access with less than 5 percent of the LDCs' existing exports facing a tariff barrier. The impact of the removal of the remaining level of protection in the EU, except for arms, will be a small increase in exports from the LDCs. 70 percent of its potential benefits to the LDCs would have come from more liberal access for sugar, rice and beef, but liberalisation of those three goods has been deferred until 2006. 	<ul style="list-style-type: none"> If Canada, Japan and the US follow the lead of the EU's EBA, LDC exports will increase by approximately 3 percent. WTO should establish the operational modalities of implementing the Marrakesh Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-developed and Net Food-Importing developing Countries. A vulnerability index should be introduced, which defines the eligibility of the countries at the different levels of development for various categories of Special & Differential Treatment.
<ul style="list-style-type: none"> Protectionist trade policy of the developed countries, particularly in agriculture trade. 	<ul style="list-style-type: none"> In 1999, the total value of support provided to agriculture in OECD countries was an estimated US\$361bn, or 1.4 percent of the OECD's GDP. The Producer Support Estimate (PSE) across all OECD countries totalled 40 percent of the value of production. The jump in support over the past two years has almost reversed a gradual decline over the preceding ten years, whereby the PSE declined from 41 percent to 31 percent between 1987 and 1997. According to the UNDP's poverty report 2000, the cost of protecting agricultural production in industrial countries amounted to a staggering \$353bn in 1998, seven times the official development assistance. In terms of economic welfare, OECD farm support is estimated to cost the developing countries about US\$20bn per year (Anderson, Hoekman and Strutt, 1999). 	<ul style="list-style-type: none"> Call for the immediate elimination of export subsidies and substantial reduction in domestic farm support, as well as for the continuation of special and differential provisions under which the developing countries are able to use certain marketing and transportation subsidies in order to assist them in the development of their exports.
<ul style="list-style-type: none"> The practice of "dirty tariffication" resulted in bound tariff at abnormally high rates. 	<ul style="list-style-type: none"> As a result of tariffication, tariff protection for a number of agricultural products increased, particularly for those perceived as being the most politically sensitive. Overall protection of these products has been higher during the implementation period, insofar as the tariffs were set at rates substantially higher than the tariff equivalent to the pre-UR non-tariff barriers. For example, in case of Norway, the average tariff rate has increased from 1.8 percent in 1993 to 102.2 percent in 1996. According to one study (Anderson et al, 1999), at the end of the implementation period of the Agreement of Agriculture, average tariff on agricultural products in the developed countries would still be as high as 36 percent, compared to 20 percent in the developing countries. 	<ul style="list-style-type: none"> A key question concerns the approach that the developing countries should take to future tariff reductions. The ideal first step may be to insist on bringing the bound rates in line with the actual rates. To push for the adoption of a formula similar to the one adopted in the Tokyo Round for industrial products. According to this type of formula, higher tariffs will be reduced more and lower tariffs reduced less.
<ul style="list-style-type: none"> Tariff peaks and tariff escalation. 	<ul style="list-style-type: none"> Available evidence suggests that tariff escalation is still prevalent, although the extent of escalation differs greatly across countries. For example, in the case of food products, the EU tariff rate was 15.7 percent, 17.6 percent and 24 percent, respectively, at primary, semi-processed and fully processed levels in 1997. In the case of Canada, the degree of escalation was much higher at 1.8 percent, 7.2 percent and 42.1 percent at the three levels of processing, respectively, in 1998. 	<ul style="list-style-type: none"> Reversing the process of tariff escalation through a multilateral agreement, i.e., higher tariff on primary products and lower tariff on semi-finished and finished products.

Factors	Situation	Policy Responses
<ul style="list-style-type: none"> Misuse of various WTO rules. Sometimes not abiding by the agreements related to these rules. 	<ul style="list-style-type: none"> As traditional trade protection measures such as tariffs, quotas, and voluntary export restraint agreements have been eliminated throughout the 1990s, there has been a rising use of technical regulations as instruments of commercial policy in unilateral, regional and global trade contexts. A sharp rise in anti-dumping cases has coincided with reductions in other forms of import protection. For example, GATT recorded a total of about 10 petitions per year in the 1960s. But, the incidence of anti-dumping cases rose sharply in the 1980s and more significantly since 1995, reaching an all-time high of 340 in 1999. It is also evident that the number of investigations launched by the developing and transition countries has followed the same rising path as the number of investigations initiated by developed countries. 	<ul style="list-style-type: none"> In agriculture, the developing countries must watch out against the proliferation of sanitary and phyto-sanitary (SPS) measures, which threaten to turn into the most important barrier against their agricultural exports, as this sector is liberalised. But, it is not particularly useful for the low-income countries to seek exemption from or a weakening of the multilateral discipline since this would simply erode consumer confidence in their exports. The best way out for developing countries is to insist on some minimum level of capacity-building exercise before the implementation of agreements. Work within the WTO to ensure much greater account is taken of developing country circumstances in rule making.
<ul style="list-style-type: none"> Threatening and often practising other protectionist measures like linking trade with labour, environment, human rights and other social issues. 	<ul style="list-style-type: none"> Many sectors have been affected so far in developing countries. For example, Bidi (an indigenous cigarette) and carpet industries in India, textile in Bangladesh, sports goods industry in Pakistan. It resulted in loss in exports, income and employment in these countries. 	<ul style="list-style-type: none"> Starting with TRIPs and TRIMs, the developed countries have increasingly focused negotiations on what is essentially a non-trade agenda. Two obvious examples are labour and environmental standards. One way to defuse this agenda is to re-focus attention on the conventional border trade measures from whose liberalisation all parties can gain.

Supply Side Factors

Factors	Situation	Policy Responses
<ul style="list-style-type: none"> Abundant natural resources. Availability of labour at low cost. 	<ul style="list-style-type: none"> Abundant natural resources and poor financial and technical capacity have resulted in merchandise exports of poor countries dominated by primary commodities. In most of the African LDCs, it is concentrated in less than three products (high export concentration index). In Uganda, for instance, coffee accounts for over 80 percent of total exports, followed by tea. 	<ul style="list-style-type: none"> Primary commodities have low elasticity of demand. Even after relatively better market access, the demand is not rising in the international market. They need to change the composition of the export-basket. For this, the poor countries will have to add value to their abundant natural resources. Better financial flows through building a strong domestic financial sector and supportive policies for private investment are necessary.

Factors	Situation	Policy Responses
<ul style="list-style-type: none"> • Availability of low cost technology. 	<ul style="list-style-type: none"> • Debt service payments absorb foreign exchange and, thus, reduce capacity to import capital goods. For LDCs, as a whole, the nominal value of the total external debt- stock rose from \$121.2bn in 1990 to \$150.4bn in 1998, according to World Bank statistics. This corresponds to an estimated 101 percent of their combined GNP, up from 92 percent in 1990. 	<ul style="list-style-type: none"> • Greater enhanced debt-relief and a substantial increase in development assistance for the poor developing countries, so that they can use their scarce foreign exchange for importing capital goods.
<ul style="list-style-type: none"> • Unskilled manpower and poor social overheads. 	<ul style="list-style-type: none"> • LDCs account for 32 of the 35 countries in the lowest category of the UNDP's Human Development Index. • On an average, 44 percent of the population in the LDCs have a per capita income of under a dollar-a- day, and about 75 percent have a per capita income of less than two dollars a day. • The adult literacy rate (age 15 and above) in LDCs was 48.9 percent in 1995. 	<ul style="list-style-type: none"> • Symmetry dictates that alongside an investment agreement, there should also be an agreement on the movement of natural persons. Such an agreement will result in the developed countries giving market access to the developing countries and correct the imbalance. • Recognising that financial resource is not the only requirement for the development of infrastructure in poor developing countries, the international community and donor agencies should be urged to provide technology and technical assistance for the development of human resources.
<ul style="list-style-type: none"> • Poor economic infrastructure. 	<ul style="list-style-type: none"> • An exceedingly weak physical infrastructure base, which is particularly exemplified by the gap in their telecommunications and transport facilities, as compared with developed countries. For example, the number of telephone lines per thousand people in the LDCs is about four. • One key factor highlighted by the World Bank Report was the exorbitant transportation cost, especially for landlocked countries such as Uganda, where 70 percent of the value of merchandise exports has gone into transportation and insurance payments. This is an extreme case. But, it is not unusual in Africa for as much as 40 percent of national export earnings to be diverted into international transport services. Much of this could have been invested in developing local infrastructure. 	<ul style="list-style-type: none"> • Recognising that, in spite of best efforts, private sector participation in infrastructure development in many developing countries has so far been not very encouraging. The international community should set up a special fund for infrastructure development.
<ul style="list-style-type: none"> • Lack of domestic capital due to high private consumption-to-GNP ratios. 	<ul style="list-style-type: none"> • In case of the LDC economies, the domestic resources available for finance represent a much smaller share of the GNP than in other developing countries. In fact, the Domestic resources available for finance (DRAF)-to-GNP ratio in the LDCs has on average varied between 15 percent (in the case of Asian and African countries) and 20 percent (for island LDCs) during the 1980s and the 1990s. In contrast, the DRAF in other developing countries was, on an average, about 34 percent of the GNP over this period. 	<ul style="list-style-type: none"> • It appears that the marginal propensity to save and, more generally, the marginal propensity to raise domestic resources available for finance, in relation to per capita income in the LDCs, are relatively high (LDCs Report 2000). Hence, strengthening the domestic financial infrastructure could result in better resource mobilisation. Some measures include financial sector reform, strengthened competition and tax policy. • To the extent that part of DRAF may be used for unproductive activities such as arms purchase, a re-switching of this expenditure to more productive uses can achieve the desired result.

Factors	Situation	Policy Responses
<ul style="list-style-type: none"> • Poor inflow of FDI. • Lack of modern technology. 	<ul style="list-style-type: none"> • The share of Africa in global FDI inflows remained at a low- level of 1.2 percent in 1999 compared to 2.3 percent in 1997. • Long-term net capital inflows into LDCs, as a whole, have declined by about 25 percent in nominal terms since 1990. According to World Bank statistics, the level of such inflows was \$10.4bn in 1998, down from a peak of \$14.2bn in 1991. • FDI in LDCs has been mainly in mineral extraction rather than in manufacturing and has essentially been concentrated on a few countries that are rich in oil, gas and other natural resources. (TDR 2001) 	<ul style="list-style-type: none"> • It was noted that, despite the liberalisation of FDI policy regimes, FDI flows into most LDCs remained minuscule. The international community could help facilitate the flow of information on the opportunities for profitable investments in LDCs. In many instances, potential investors did not possess adequate information on such opportunities. • A number of home countries as well as multilateral institutions provided some insurance coverage for foreign investors. The scope of such insurance coverage might be expanded with special provisions for investment in LDCs. The international community could also contribute to the increased flow of FDI in those countries through such measures as co-financing, enhanced market access for export from such countries and strengthening infrastructure facilities in them.

Systemic Issues

Issues	Situation	Policy Measures
<ul style="list-style-type: none"> • The complexity of the World Trading System. 	<ul style="list-style-type: none"> • The UR (1986-1994) produced some 8000 pages of documents and proposals and it resulted in 24 new or revised trade agreements and thousands of items in the WTO schedules of concessions. 	<ul style="list-style-type: none"> • A change of priorities from political to commercial diplomacy could generate a re-allocation of an appropriate number of staff from Brussels and New York to Geneva and, thus, ensure a more effective representation in most cases at the WTO.
<ul style="list-style-type: none"> • The capacity to negotiate: Since the developing countries are not as well represented, they may have difficulty in negotiating the most favourable trade agreements and using the dispute settlement mechanism effectively. 	<ul style="list-style-type: none"> • In 1997, the industrial countries deployed an average of 6.8 officials to follow the WTO activities in Geneva. Developing countries sent an average of 3.5. • A recent survey of African delegations in Geneva shows that virtually all of them are staffed by officials from the Ministry of Foreign Affairs rather than the Ministry of Trade. 	<ul style="list-style-type: none"> • Located in Geneva, the WTO is far and away from most developing country capitals; immediate, day-to-day domestic concerns in these capitals seem to leave little room for thinking on the long-term WTO issues even in the case of large developing countries. Given the extreme importance of the eventual decisions made under the auspices of the WTO, at least large developing countries need to pay greater attention to thinking long-term strategies with respect to WTO issues on a continuous basis. This is the approach taken by the United States and the EU. • One way to bolster the negotiating capacity of the developing countries is by promoting regional coalitions, ensuring not only greater bargaining power but also some economies of scale in deploying scarce technical expertise.
<ul style="list-style-type: none"> • Poor implementation record of the Uruguay Round agreements, even after having rules based multilateral trading system (WTO). 	<ul style="list-style-type: none"> • Implementation is lagging in sectors of particular interest to the developing countries such as textiles & clothing, agriculture, anti-dumping, subsidies, technical barriers, sanitary and phyto-sanitary measures and Intellectual Property Rights. • Before the Seattle Ministerial, developing countries drafted a 	<ul style="list-style-type: none"> • Press for the resolution of implementation issues and have tangible results thereon before Doha; ensure that only issues where there is agreement among all Members are taken to Doha; ensure that the benefits outweigh the costs in any future negotiations (be it a new round or otherwise).

Issues	Situation	Policy Measures
	<p>common agenda, consisting of 94 points. These points were drawn from various existing agreements, many of which the developed countries have not implemented at the domestic level. Out of the 94 points of common agenda, 92 are still unresolved.</p>	
<ul style="list-style-type: none"> • Participation in the WTO process. 	<ul style="list-style-type: none"> • 23 least-developed country members of the WTO have no representation in Geneva. 	<ul style="list-style-type: none"> • The Seattle Conference saw an outstanding degree of criticism of the WTO's internal and external transparency and democracy, which must be addressed urgently at Qatar. Increased transparency and financial assistance is needed to ensure that all members (particularly LDCs) are able to take part fully in all WTO activities and procedures, including its dispute settlement mechanisms.
<ul style="list-style-type: none"> • Reforming the Dispute Settlement System. 	<ul style="list-style-type: none"> • Despite facial equality, due to a lack of in-house technical expertise, the developing countries have not been able to access the process as effectively as the developed countries. <ul style="list-style-type: none"> • Most developing countries face severe fiscal constraints and, thus, lack resources to hire the attorneys. • The retention of private attorneys raises concerns with respect to their relationship vis-à-vis the government, the clients and the WTO system. 	<ul style="list-style-type: none"> • WTO dispute settlement mechanisms can be fair only when all the parties to a dispute have access to expert services to argue their case. An independent legal aid Centre is needed to assist the poor countries. It has already been announced at the WTO meeting in Seattle in late 1999. • It will be wise for the DSB or other appropriate bodies to develop certain standards and ethical rules, perhaps including conflict-of-interest rules as well as confidentiality rules, which would generally be recommended to governments as part of the contract they use to retain attorneys (Jackson 1998).

Collateral Issues

Issues	Situation	Policy Measures
<ul style="list-style-type: none"> • Proliferation of the regional trading arrangements (RTAs). Recent years have increasingly seen RTAs conflicting with the authority of the WTO. This does not augur well for the future of multilateral trading regime. 	<ul style="list-style-type: none"> • More regional trading arrangements came into force in the 1990s than ever before. 82 RTAs were reported to the WTO/GATT during 1990-98 in comparison to 75 between 1950 to 1989. • Many studies show that the EU and its various enlargements resulted in very substantial trade diversion. 	<ul style="list-style-type: none"> • The depth and extent of regional integration has far exceeded what was originally expected at the time when Article XXIV of the GATT was formulated. WTO agreements should ensure in an effective manner the consistency of the RTAs with the principle of the multilateral trading system. The lack of progress in the examination of RTAs should not, therefore, become a source of distrust for maintaining the primacy of the multilateral trading system.

Issues	Situation	Policy Measures
<ul style="list-style-type: none"> Unilateral Trade Measures: The multilateral trading system appears to be under permanent threat from the actions of some Members who resort to unilateral trade measures. 	<ul style="list-style-type: none"> Very recently, the United States instituted measures prohibiting imports of shrimps from some countries if they were not caught in vessels using Turtle Excluder Devices. The Panel and the Appellate Body ruled that the measure was illegal under WTO law and recommended that the US bring the measure into conformity with its obligations under the WTO Agreement. 	<ul style="list-style-type: none"> Unilateral trade sanctions could be imposed only on the authorisation of Dispute Settlement Body. Otherwise it should be termed illegal.
<ul style="list-style-type: none"> Extending the trade liberalisation agenda to industrial products. 	<ul style="list-style-type: none"> In recent years, the developed countries among themselves have reached a state of virtual free-trade in industrial products. But, the developing countries are still facing a high tariff rate on their export of industrial products. For example, despite an end to the Multifibre Arrangement (MFA), to be completed by 1 January 2005, tariffs in the US, EU and Japan on Textiles and Clothing will remain very high. According to the calculation done by the UNCTAD (1996), the average tariff rates on products in this category are 14.6 percent in the US, 9.1 percent in the EU, and 7.6 percent in Japan. 	<ul style="list-style-type: none"> Developed country markets are much larger than developing country markets. Therefore, a one- percent tariff reduction by the former, especially in products of interests to the developing countries, is worth more than a similar reduction by the latter.

Conclusions

The forthcoming Doha Ministerial Conference and the period immediately after that will present many developing and least developed countries with not only considerable challenges but also significant opportunities. They will be challenged by the fact that they really need to put up a united face in both agenda preparation and negotiation. The developing countries have to ensure that development should be the key word and the issue of eradication of poverty must be at the centre-stage. Even those who are pressing hard for the launch of a new round have been constantly saying that the new round would be a “development round”.

They will also be presented with significant opportunities, not only to press for enhanced market and more secure market access but also to attempt to undo some of the damage imposed by the Uruguay Round agreements dealing with rules and standards. It is clear that the low-income countries have taken on many mandatory obligations in exchange for non-binding and “best endeavour” concessions from the developed countries.

In the end, the issues of market access and capacity building are the two important goals for the developing countries. The WTO Doha Ministerial Conference would offer low-income countries an opportunity to be more proactive in terms of defining its agenda and, ultimately, achieve a better market access. For the capacity building exercise, the WTO needs to co-ordinate with other multilateral institutions to ensure a better availability of resources to address the various supply-side constraints.

Low-income countries have already recognised the significance of the WTO for their future growth and development. This is increasingly reflected in the attention and resources they have devoted to the WTO process. Now, the onus lies on the developed countries to make them partners in development through trade and integrating them into the global economy on equal terms.

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