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## Impact of WTO policies on developing countries: issues and perspectives

**Ravinder Rena**

**Abstract:** *About two thirds of the WTO's around 150 members are developing countries. They play an increasingly important and active role in the WTO because of their numbers, because they are becoming more important in the global economy, and because they increasingly look to trade as a vital tool in their development efforts. An attempt is made in this paper to examine whether the WTO policies have positive or negative effect on the trade of developing countries. The paper further discusses that the Doha Round of Talk is a myth, a fiction, or is it a reality. Can the spirit of Doha, which launched a new round of negotiations and work with an explicit pledge to deliver development-friendly results, be redeemed or not? Finally, it analyses the special differential treatment (SDT) for developing countries.*

**Keywords:** *WTO, Developing countries, GATT, URAA, special differential treatment, Agriculture, Doha Development Round.*

JEL Classification: Q16; Q 18

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### 1. Introduction

The Uruguay Round of Multilateral Trade Negotiations was completed in 1994 with the signing of the Uruguay Round Agreements at Marrakech. The Round produced a number of important achievements, including replacing the General Agreement on Tariffs and Trade (GATT) as an institutional framework for overseeing trade negotiations and adjudicating trade disputes, with the World Trade Organization, and extending GATT/WTO rules of trade to new areas such as intellectual property and services. Among the most significant accomplishments of the Uruguay Round were its focus on the treatment of agricultural trade under the GATT and the resulting new disciplines on agricultural trade policy (Yeats, 1987; Bhagwati, *et al.*, 1998; Rena, 2006a).

Until the Uruguay Round, agriculture received special treatment under GATT trade rules through loopholes, exceptions, and exemptions from most of the disciplines applying to manufactured goods. As a result, the GATT allowed countries to use measures disallowed for other sectors (e.g., export subsidies), and enabled countries to maintain a multitude of non-tariff barriers that restricted trade in agricultural products. Participants in the Uruguay Round continued the GATT's special treatment of

agricultural trade by agreeing to separate disciplines on agriculture in the Agreement on Agriculture (URAA), but initiated a process aimed at reducing or limiting the exemptions and bringing agriculture more fully under GATT disciplines (Finger, *et al.*, 1996; Bhagwati, *et al.*, 1998; Merlinda, *et al.*, 2004).

Under the Agreement, countries agreed to substantially reduce agricultural support and protection by establishing disciplines in the areas of market access, domestic support, and export subsidies. Under market access, countries agreed to open markets by prohibiting non-tariff barriers (including quantitative import restrictions, variable import levies, discretionary import licensing, and voluntary export restraints), converting existing non-tariff barriers to tariffs, and reducing tariffs. URAA signatory countries also agreed to reduce expenditures on export subsidies and the quantity of agricultural products exported with subsidies, and prohibits the introduction of new export subsidies for agricultural products. Domestic support reductions were realized through commitments to reduce an aggregate measure of support (AMS), a numerical measure of the value of most trade distorting domestic policies. The agreement is implemented over a 6-year period, 1995-2000 (Rena, 2006a). This is a major challenge and opportunity as positive results would rectify some of the development shortfalls of the Uruguay Round, mainstream development into the WTO as a central principle, and provide development-enhancing rights and obligations that would enable the entire membership to use multilateral trade liberalization (MTL) and rules as a facilitating engine of trade as well as of development and poverty reduction.

### ***Emergence of WTO***

The World Trade Organization (WTO) is an organization that intends to supervise and liberalize international trade. The organization officially commenced on January 1, 1995 under the Marrakech Agreement, replacing the General Agreement on Tariffs and Trade (GATT), which commenced in 1948. The organization deals with regulation of trade between participating countries; it provides a framework for negotiating and formalizing trade agreements, and a dispute resolution process aimed at enforcing participants' adherence to WTO agreements which are signed by representatives of member governments and ratified by their parliaments. Most of the issues that the WTO focuses on derive from previous trade negotiations, especially from the Uruguay Round (1986–1994) (Wikipedia, 2012).

The organization is attempting to complete negotiations on the Doha Development Round, which was launched in 2001 with an explicit focus on addressing the needs of developing countries. According to a European Union statement, "The 2008 Ministerial meeting broke down over a disagreement between exporters of agricultural bulk commodities and countries with large numbers of subsistence farmers on the precise terms of a 'special safeguard measure' to protect farmers from surges in imports." The position of the European Commission is that "The successful conclusion of the Doha

negotiations would confirm the central role of multilateral liberalisation and rule-making. It would confirm the WTO as a powerful shield against protectionist backsliding." An impasse remains. As of May 2012, the future of the Doha Round remains uncertain (Wikipedia, 2012).

### ***Functions of WTO***

Among the various functions of the WTO, these are regarded by analysts as the most important: the WTO oversees the implementation, administration and operation of the covered agreements. It provides a forum for negotiations and for settling disputes.

Additionally, it is the WTO's duty to review and propagate the national trade policies, and to ensure the coherence and transparency of trade policies through surveillance in global economic policy-making. Another priority of the WTO is the assistance of developing, least-developed and low-income countries in transition to adjust to WTO rules and disciplines through technical cooperation and training. The WTO is also a center of economic research and analysis: regular assessments of the global trade picture in its annual publications and research reports on specific topics are produced by the organization. Finally, the WTO cooperates closely with the two other components of the Bretton Woods system, the IMF and the World Bank (Wikipedia, 2012).

### ***Doha Ministerial Declaration:***

The WTO launched the current round of negotiations, the Doha Development Round (DDR), at the fourth ministerial conference in Doha, Qatar in November 2001. The "*Doha Ministerial Declaration*", adopted on November 14, 2001, Para 13 stated that member-countries commit themselves to "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 can agree that a 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 like China and India and their development needs, including food security and rural development (Rena, 2006b:73).

This was to be an ambitious effort to make globalization more inclusive and help the world's poor, particularly by slashing barriers and subsidies in farming. The initial agenda comprised both further trade liberalization and new rule-making, underpinned by commitments to strengthen substantial assistance to developing countries. However, the negotiations have been highly contentious. Disagreements still continue over several key areas including agriculture subsidies, which emerged as critical in July 2006. As of April 2012, agreement has not been reached, despite intense negotiations at several ministerial conferences and at other sessions (Wikipedia, 2012).

Negotiations on agriculture began in early 2000, under Article 20 of the WTO Agriculture Agreement. By November 2001 and the Doha Ministerial Conference, 121 governments had submitted a large number of negotiating proposals. These negotiations will continue, but now with the mandate given by the Doha Declaration, which also includes a series of deadlines. The declaration builds on the work already undertaken, confirms and elaborates the objectives, and sets a timetable. Agriculture is now part of the single undertaking in which virtually all the linked negotiations are to end by 1 January 2005.

The declaration reconfirms the long-term objective already agreed in the present WTO Agreement: to establish a fair and market-oriented trading system through a programme of fundamental reform. The programme encompasses strengthened rules, and specific commitments on government support and protection for agriculture. The purpose is to correct and prevent restrictions and distortions in world agricultural markets. Without prejudging the outcome, member governments commit themselves to comprehensive negotiations aimed at:

1. market access: substantial reductions
2. exports subsidies: reductions of, with a view to phasing out, all forms of these
3. domestic support: substantial reductions for supports that distort trade

The declaration makes special and differential treatment for developing countries integral throughout the negotiations, both in countries' new commitments and in any relevant new or revised rules and disciplines. It says the outcome should be effective in practice and should enable developing countries meet their needs, in particular in food security and rural development. The ministers also take note of the non-trade concerns (such as environmental protection, food security, rural development, etc) reflected in the negotiating proposals already submitted. They confirm that the negotiations will take these into account, as provided for in the Agriculture Agreement (WTO, 2012).

Small and/or developing economies face specific challenges in their participation in world trade, for example lack of economy of scale or limited natural resources. The Doha Declaration mandates the General Council to examine these problems and to make recommendations to the next Ministerial Conference as to what trade-related measures could improve the integration of small and/or developing economies.

## **2. WTO and Least Developed Countries**

About two thirds of the WTO's around 150 members are developing countries. They play an increasingly important and active role in the WTO because of their numbers, because they are becoming more important in the global economy, and because they increasingly look to trade as a vital tool in their development efforts. Developing countries are a highly diverse group often with very different views and concerns. The WTO agreements

include numerous provisions giving developing and least-developed countries special rights or extra leniency – “special and differential treatment”. Among these are provisions that allow developed countries to treat developing countries more favourably than other WTO members.

### **The least developed countries (LDCs)**

Members reaffirmed their determination to fulfilling commitments made at Doha concerning LDCs. Various commitments have been made in respect of LDCs under the Doha Ministerial Declaration (DMD). Indeed, the Multilateral Trading System (MTS) must be sensitive to the special needs of LDCs. A key issue in this regard is the provision of duty-free and quota free market access for products originating in LDCs as called for in various international accords (Doha, LDC III, and Millennium Declaration). A report by UNCTAD on “A Trade Marshall Plan for LDCs” notes that, significant commercial gains would accrue to LDCs from the provision of bound duty free, quota treatment to all exports of LDCs by developed countries. Such treatment “is likely to bring welfare gains of as much as US\$8 billion and will add up to US\$6.4 billion (10 per cent) per year increase in LDC exports, which currently represent just 0.68 per cent of world trade (Puri, 2005).”

LDCs have called for duty-free and quota free access for ALL their products and for such treatment to be BOUND under the WTO. For example, the Fourth LDC Trade Ministers’ Meeting in Livingstone (June 2005) called on the 6<sup>th</sup> WTO MC to agree on “Binding commitment on duty-free and quota-free market access for all products from LDCs to be granted and implemented immediately, on a secure, long-term, and predictable basis, with no restrictive measures introduced.” Both issues remain outstanding in that not all WTO members provide LDCs with fully free trade treatment, apart from EBA and AGOA and some GSP schemes, and all such treatment provided so far are not bound in the WTO. Such treatment is sanctioned by Part IV of GATT and the Enabling Clause. In terms of similar treatment that could be provided by developing countries in a position to do so, some progress is taking place, mostly within the context of South-South regional trade agreements. In terms of legal coverage for South-South preferences, a waiver has been provided.

A related issue is for LDCs to be granted exemptions from tariff and subsidy reduction commitments. Addressing the deeper end of Trade Related Technical Assistance (TRTA) is also a key concern of LDCs in view of diversifying their production and improving competitiveness in traditional areas as well as emerging areas of comparative and competitive advantage; developing human, institutional, regulatory and R&D capacities and infrastructures; and achieving greater technology-intensity, value-added, value retention and diversification of products and competitiveness.

### **South-South cooperation**

Trade among countries of the South, by offering manifold opportunities to developing countries to increase their profile in international trade, can have a decisive influence in shaping any “new trade geography”. Today, South-South trade accounts for just over one tenth of total world trade, and is growing at double the rate. Moreover, over 40 per cent of developing country exports are to other developing countries, and trade among them is increasing at double-digit annual rates (UNCTAD, 2003b as cited in Puri,2005:43). South-South trade in services is also on the rise and has substantial possibilities. LDCs also need to take advantage of the opportunities offered by South South trade cooperation and integration. The share of LDC exports to other developing countries has shown a robust growth from 22 per cent in 1998 to more than 31 per cent in 2003. South-South economic and trade co-operation therefore offers additional opportunities to LDC’s for assured development gains from the trading system (Puri,2005:43).

In terms of trade or tariff preferences, many developing countries have been providing special tariff concessions for LDCs, including Duty-Free, Quota-Free Treatment (DFQFT) elements, as part of regional trade and economic cooperation agreements. Whilst it is true those developing countries with high level of poverty and populations engaged in similar economic activities may not be able to afford duty and quota free market access across the board for LDCs, those in a position to do so could take recourse to the Generalized System of Preferences (GSTP) multilateral route. Several developing countries have granted preferential market access for LDCs and many others are willing to do more so under the GSTP. The GSTP has been conceived as the cornerstone of economic cooperation among developing countries and has been designed to give concrete expression to their political commitment. Estimates suggests that, if developing countries agree to reduce the average tariffs applied to each other by 50 per cent in the current GSTP round, this would generate an additional \$15.5 billion in trade. This is not an alternative to, but a complement to the multilateral liberalization process (UNCTAD, 2003a; Puri,2005:43).

The situation in which LDCs find themselves today is similar to that of Europe in the aftermath of the Second World War. At current conversion levels, a “Trade Marshall Plan” for LDCs should deliver development gains in the range of \$62.5 billion per year. Bound DFQFT and preferential access on services could yield almost half of the amount. Additional “aid for trade” funding at, say \$1 billion for 50 LDCs would be a small-ticket item compared to the original Marshall Plan outlays and might have a multiplier effect on trade and supply capacity in LDCs. It would have the advantage of covering most aspects of the trade-related enabling and empowering that LDCs require in order to reap real development benefits. It would cushion adjustment shocks and build productive capacity, competitiveness and critical infrastructure. It would stimulate export expansion and improve terms of trade; spur economic growth, employment generation and poverty reduction and gender equity; and register efficiency gains. In a symbiotic

response, these LDCs in turn will become new and viable markets for other countries, including the developed ones, and contribute to the sustainability of the “global enterprise”.

Developed countries tended to argue that it was important to agree on a coherent vision on especially the principles and objectives of SDT before engaging in negotiations on agreement-specific issues. They argued that the deliberations should proceed first with clarifying the purpose of SDT and other crosscutting systemic and institutional issues before discussing agreement-specific proposals. This raised the very difficult differentiation debate i.e., tailoring SDT to those developing countries that need them the most and to move away from generalised SDT, and graduate those developing countries that would not need them owing to their competitive trading situation (Third World Network, 2005: 32).

Developing countries, in contrast, tended to favour the resolution of agreement specific considerations first rather than engaging in a debate on principles which in any case are already well established in Part IV of the GATT and the Enabling Clause. Developing countries were also resistant to the notion of differentiation and graduation in relation to beneficiaries of SDT provisions, and definition of developing countries (Third World Network, 2005: 33).

### **3. Discussions**

The least-developed countries receive extra attention in the WTO. All the WTO agreements recognize that they must benefit from the greatest possible flexibility, and better-off members must make extra efforts to lower import barriers on least-developed countries' exports. Since the Uruguay Round agreements were signed in 1994, several decisions in favour of least-developed countries have been taken.

Meeting in Singapore in 1996, WTO ministers agreed on a “Plan of Action for Least-Developed Countries”. This included technical assistance to enable them to participate better in the multilateral system and a pledge from developed countries to improved market access for least-developed countries' products.

A year later, in October 1997, six international organizations — the International Monetary Fund, the International Trade Centre, the United Nations Conference for Trade and Development, the United Nations Development Programme, the World Bank and the WTO — launched the “Integrated Framework”, a joint technical assistance programme exclusively for least-developed countries. In 2002, the WTO adopted a work programme for least-developed countries. It contains several broad elements: improved market access; more technical assistance; support for agencies working on the diversification of least-developed countries' economies; help in following the work of the WTO; and a speedier membership process for least-developed countries negotiating to join the WTO. At the same time, more and more member governments have unilaterally

scrapped import duties and import quotas on all exports from least-developed countries.

Further, crisis in the WTO on the agriculture negotiations is two-fold. The first arises from the fact that countries are pursuing different objectives and serving different interests. Large exporting countries – the U.S. and European Union want market access for their exports at all costs (Dubey,1996; Gulati, and Ketly, 1999). The least developed countries, the developing countries; Europe and Japan put social, economic and environmental sustainability as higher objectives than trade. For the South, socio-economic sustainability has high priority, whereas for Europe, environmental sustainability is important. But, in spite of major differences, a large group of countries put “food and agriculture first” however this must be the objective of WTO reform.

It can be viewed that developing countries should have freedom in fixing tariffs in agriculture, especially in the face of high Northern subsidies. Trade liberalization cannot set the determining framework for how food is produced and how agriculture is organized. Countries cannot ignore the issues of economic, social, and environmental sustainability. One can find a fault with WTO is that it has externalized these basic issues in the AoA (Rena,2006b:75).

The second source of the crisis arises from the process itself. The WTO as a system excludes and marginalizes the concerns of developing countries (Mathur, 2002). After the failure of the Seattle Ministerial Conference, the most frequently used phrase was that the WTO is a “member-driven organization”. However, the process since ‘Doha Conference’ shows the opposite (WTO, 2000).

In the last 10 years and more during the course of the negotiations, the attention placed on the issues has weakened despite vigorous efforts by developing countries to raise their profile so as to address them, and the effort of the WTO leading the search for solutions on these issues. The issues remain to be adequately and meaningfully addressed. This is a major concern because implementation issues constituted outstanding issues from the Uruguay Round. There is urgency to finding concrete solutions on a priority and time-bound basis prior to developing countries assuming new commitments (and new implementation obligations).

**Table 1. GATT and WTO trade rounds**

Name	Start	Duration	Countries	Subjects covered	Achievements
Geneva	April 1946	7 months	23	Tariffs	Signing of GATT, 45,000 tariff concessions affecting \$10 billion of trade
Anecy	April 1949	5 months	13	Tariffs	Countries exchanged some 5,000 tariff concessions
Torquay	September 1950	8 months	38	Tariffs	Countries exchanged some 8,700 tariff concessions, cutting the 1948 tariff levels by 25%

<b>Geneva II</b>	January 1956	5 months	26	Tariffs, admission of Japan	\$2.5 billion in tariff reductions
<b>Dillon</b>	September 1960	11 months	26	Tariffs	Tariff concessions worth \$4.9 billion of world trade
<b>Kennedy</b>	May 1964	37 months	62	Tariffs, Anti-dumping	Tariff concessions worth \$40 billion of world trade
<b>Tokyo</b>	September 1973	74 months	102	Tariffs, non-tariff measures, "framework" agreements	Tariff reductions worth more than \$300 billion dollars achieved
<b>Uruguay</b>	September 1986	87 months	123	Tariffs, non-tariff measures, rules, services, intellectual property, dispute settlement, textiles, agriculture, creation of WTO, etc	The round led to the creation of WTO, and extended the range of trade negotiations, leading to major reductions in tariffs (about 40%) and agricultural subsidies, an agreement to allow full access for <b>textiles</b> and clothing from developing countries, and an extension of intellectual property rights.
<b>Doha</b>	November 2001	?	141	Tariffs, non-tariff measures, agriculture, labor standards, environment, competition, investment, transparency, patents etc	The round is not yet concluded.

*Source:* Wikipedia, 2012.

### ***Development issues and Doha Work Programme***

“Development issues” lie at the heart of the negotiations and any outcomes of the Doha Work Programme (DWP). This arises from the commitment to place the needs and interests of developing countries at the heart of the work programme. A development-oriented outcome will give credibility to the appellation – Doha “Development” Agenda – without which, the appellation will be a name without any real meaning. Without mainstreaming development, the DWP will lack justification as not responding to the concerns of effective integration of developing countries into the MTS. It would strengthen the hands of those who argue that WTO is antidevelopment. It would enhance the perception by many that the erosion of development that took place in the Uruguay Round, through limited attention to SDT, is perpetuated (Third World Network, 2005: 64).

A round without development can sow the seeds for the eventual damaging of the MTS as it will erode the confidence and commitment of the large majority of the membership of the WTO in such a system. It will make it difficult for developing countries to accept to negotiate another new round, once the Doha negotiations are completed. Yet development issues have been the most difficult of issues to address in the last 10 years and over since the launching of the DWP. The missed deadlines in addressing them has disturbed the balance of interests attained at the Doha Ministerial Conference in which developing countries basically agreed to the launching of a new round of negotiations as

long as their development issues were addressed on a priority basis before entering into new market access commitments and rules negotiations.

While developing countries have individually and jointly made proposals on a series of development issues, resulting in the proposed 88 SDT agreement specific issues and over 100 implementation issues, and various attempts at discussing and addressing these issues, very limited progress forward in terms of concrete, substantive outcomes have been achieved. In the meanwhile, as the negotiations proceed, the concerns of developing countries with respect to development have fortified with newer, specific trade and development concerns raised in the market access negotiations (Third World Network, 2005: 64-65). Thus, the 6th WTO MC and beyond would be seized with concretely, specifically, adequately and expeditiously addressing the development issues. This will be a challenge for developing countries in re-examining the SDT and implementation proposals to ascertain their relevance,

- prioritising them in terms of their commercial and development values, and preserving and enhancing them;
- expediting examination and proposals of measures to address specific needs of small, vulnerable economies and also with the work with other nonnegotiating working groups (trade and transfer of technology, and trade and debt and finance);
- mainstreaming into the agriculture and NAMA negotiations the specific trade and development needs of developing countries and in this context, seek both trade and development related solutions to the problems of trade preferences and commodities;
- monitoring implementation of commitments on technical assistance, and
- meeting the specific needs of LDCs including through mobilising increased support for the IF and especially for Joint Integrated Trade Assistance Programme (JITAP).

For their part, developed countries must accept not only in principle and spirit that development matters, but that this principle must find concrete expression in the Doha negotiations and its outcomes. Concrete progress must be achieved on development issues generally and especially in respect of SDT and implementation issues, as well as specifically in the market access negotiations (agriculture, NAMA, services).

Finalisation of the work on small economies and other non-negotiating work is also important to developing countries in terms of addressing their wider development concerns and thus creating an enabling trading environment in which these countries can trade in and develop. Ultimately, the functioning of the MTS under the auspices of the WTO in an equitable manner that addresses the development needs and concerns of developing countries is in the interest not only of these countries, but also of other countries and the MTS itself. Self-interest and preservation of economies suggest that

enlightened development solidarity between all WTO Members is needed in giving a boost to and resolving thoroughly, effectively and adequately the development issues (Third World Network, 2005: 67). The MTS has to move beyond a purely trade liberalising approach to one which enables development, job creation, poverty reduction, and wider and affordable access to essential goods and services. In this regard, the development promise of Doha is timely and crucial and it must be fully redeemed.

Apart from the fact that much remains to be accomplished in terms of the specifics on the frameworks and recommendations in the Decision and other aspects of the DWP, other factors can cause a delay in the negotiations in reaching the new deadlines set. One such factor is the relentless move towards regional trade agreements by all countries, mostly as an insurance policy against limited market access openings at the multilateral level. Some apprehension also surfaced regarding the focus of attention (away from negotiations) on the election of the new WTO Director General, and the installation of the new US administration and new EC administration and the setting of their priorities on international trade. In retrospect such fears were groundless as the negotiations post-July Package progressed and there had been renewed expressions of commitment to the round (Third World Network, 2005:18).

#### **4. Role of WTO – A Critical View**

Ten years ago, a new World Trade Organisation that put developing country needs at the centre of the international trade negotiation agenda was proposed. The Ministerial Declaration adopted at the start of the Doha Development Round of trade negotiations, on 14 November 2001, was a promising response to the anti-globalisation riots of the 1990s. But the WTO membership has failed to deliver the promised pro-development changes. Finding "development" in the Doha Development Round today is like looking for a needle in a haystack. Developing countries have been completely sidelined by the economic and political interests of global powers. According to the Guardian<sup>1</sup>, here are 10 examples of how the WTO has failed the poor:

**1. Cotton:** the Fair trade Foundation revealed last year how the \$47bn in subsidies paid to rich-country producers in the past 10 years has created barriers for the 15 million cotton farmers across west Africa trying to trade their way out of poverty, and how 5 million of the world's poorest farming families have been forced out of business and into deeper poverty because of those subsidies.

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<sup>1</sup> Available at <http://www.guardian.co.uk/global-development/poverty-matters/2011/nov/14/wto-fails-developing-countries> retrieved on 28 May 2012.

**2. Agricultural subsidies:** beyond cotton, WTO members have failed even to agree how to reduce the huge subsidies paid to rich world farmers, whose overproduction continues to threaten the livelihoods of developing world farmers.

**3. Trade agreements:** the WTO has also failed to clarify the deliberately ambiguous rules on concluding trade agreements that allow the poorest countries to be manipulated by the rich states. In Africa, in negotiations with the EU, countries have been forced to eliminate tariffs on up to 90% of their trade because no clear rules exist to protect them.

**4. Special treatment:** the rules for developing countries, called "special and differential treatment" rules, were meant to be reviewed to make them more precise, effective and operational. But the WTO has failed to work through the 88 proposals that would fill the legal vacuum.

**5. Medicine:** the poorest in developing countries are unable to access affordable medicine because members have failed to clarify ambiguities between the need for governments to protect public health on one hand and on the other to protect the intellectual property rights of pharmaceutical companies.

**6. Legal costs:** the WTO pledged to improve access to its expensive and complex legal system, but has failed. In 15 years of dispute settlement under the WTO, 400 cases have been initiated. No African country has acted as a complainant and only one least developed country has ever filed a claim.

**7. Protectionist economic policies:** one of the WTO's five core functions agreed at its inception in 1995 was to achieve more coherence in global economic policy-making. Yet the WTO failed to curb the speedy increase in the number of protectionist measures applied by G20 countries in response to the global economic crisis over the past two years – despite G20 leaders' repeated affirmations of their "unwavering" commitment to resist all forms of protectionist measures.

**8. Natural disaster:** the WTO fails to alleviate suffering when it has the opportunity to do so. In the case of natural disaster, the membership will have taken almost two years to agree and implement temporary trade concessions for Pakistan, where severe flooding displaced 20 million people in 2010 and caused \$10bn of damage. Those measures, according to the International Centre for Trade and Sustainable Development, would have boosted Pakistan's exports to the EU by at least €100m this year.

**9. Decision-making:** the WTO makes most of its decisions by consensus – and achieving consensus between 153 countries is nearly impossible. But this shows another

failure of the WTO: to break the link between market size and political weight that would give small and poor countries a voice in the trade negotiations.

**10. Fair trade:** 10 years after the start of the Doha Development Round, governments have failed to make trade fair. As long as small and poor countries remain without a voice, the role of campaigning organisations, such as Traidcraft and Fairtrade Foundation, which are working together to eliminate cotton subsidies, will remain critical.

## 5. Conclusion

The WTO has failed to live up to its promises over the past decade, which reveals a wider systemic problem in the global community. True and lasting solutions to global economic problems can only come when the model of global competitiveness between countries becomes one of genuine cooperation.

However, the journey so far in redeeming the development promise of Doha has been full of broken promises and missed deadlines, including the July 2005 deadline and beyond. This setback follows on the heels of the important breakthrough in the negotiations attained in the July 2004 package with regard to development issues. The lack of substantive movement is evident in almost all areas of development matters, including that concerning special and differential treatment, implementation, specific trade-related needs and concerns of developing countries, and, to a lesser extent, technical assistance. Will mainstreaming development into the WTO and the MTS be a myth or a fact that can be realised to meet the expectations of developing countries? Can the development promise of Doha, which is timely and crucial and deserves to be fully redeemed, be translated into concrete steps in the period leading to the coming 6<sup>th</sup> WTO Ministerial Conference and beyond? This paper attempts to answer some of these important and pressing questions in the context of developing countries.

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## Contact Information

Ravinder Rena, Editor-in-Chief, International Journal of Education Economics and Development (IJEED), Department of Economics, University of the Western Cape, Private Bag X17, 7535 Modderdam Road, Bellville, Western Cape, South Africa., Email: [ravinder.rena2006@gmail.com](mailto:ravinder.rena2006@gmail.com), alternate: [ravinder\\_rena@yahoo.com](mailto:ravinder_rena@yahoo.com)