

From Doha to Cancún: a multilateral trading system?

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INTRODUCTION

International action for trade liberalisation has taken various forms, particularly since 1945, that is, since the UN era. Not all aspects of it have been successful for a variety of reasons – either they failed to satisfy the requirements of both rich and poor countries, or the fundamental issues have not been clearly identified. Furthermore, the remit of trade liberalisation in many instances has been kept confined to tariff reductions or most-favoured nation standard, or by short-term bilateral preferential arrangements, or by a generalised system of preferences (GSP), or a combination of all these forms of trade preferences. None of these arrangements has dealt with the fundamental issues responsible for the hindrances encountered primarily by developing countries in participating as actors on the international markets.

The issue of trade liberalisation may in certain cases be hindered by regional arrangements, as these arrangements are obliged to offer preferential treatment to their Members first. Interestingly enough, regional arrangements consisting of developing countries have not been remarkably successful because of lack of leadership or coherent policies, or in many cases inadequate capability to manufacture products of the quality required for markets in the developed world. Alternatively, the markets in the developed world present two main challenges; they are either near-saturated, or capable of manufacturing their own goods and therefore not in need of any products, unless of a unique nature, from the developing world. Thus, the prospect of the developing world participating in the markets of the developed world becomes remote.

The Doha Ministerial Declaration of 2001 (the texts of the Declaration have been reproduced in 41 *International Legal Materials* 746 (2002)) seems to have identified some of the crucial issues with which international trade liberalisation should be concerned and at the same time create awareness in developing countries as to what they should do in order to improve their position in regard to international trading and domestic trading. It is the purpose of this article to analyse critically the Doha Declaration, 2001.

THE SCENARIO

International trade liberalisation is concerned with many issues, but the two most important issues are: (a) to

create opportunities for market access for all states; and (b) to operate international trade on the basis of “equality in fact” rather than “equality in law”, whereby the less privileged will be allowed to have extra trade-based preferences to be able to compete with their competitors. These statements further entail two issues: (a) what is the difference between them; and (b) how to create opportunities for market access for all states? As to the first issue, the answer was given by the Permanent Court of International Justice in the *Minority Schools in Albania* case (PCIJ A/B 64 (1935)). In this case, the Government of Albania, in breach of its obligations with the League Assembly under the Mandate system, amended its constitution whereby all children, both of the majority and minority would go state schools. All private schools, including the schools of the Albanian minorities were closed down. The latter contested the Albanian Government’s act, and complained to the League Assembly, which sought an advisory opinion of the Permanent Court of International Justice. In dealing with the Albanian act, the court deliberated on the legal distinction between “equality in law” and “equality in fact”. According to the court:

“Equality in law precludes discrimination of any kind; whereas equality in fact may involve the necessity of different in order to attain a result which established an equilibrium between different situations.”

In its Advisory Opinion of September 10, 1923 concerning the case of the German Settlers in Poland (Opinion No. 6) it was stated that:

“There must be equality in fact as well as ostensible legal equality in the sense of the absence of discrimination in the words of the law.”

The court’s view in the *Minority Schools* case is worth following in relation to trade relationship between developed and developing countries. Developing countries, although constituting the majority, in effect, are in a minority situation compared to the developed states. Thus, the necessity of different treatment in their favour may be justified. Different treatment in this context would mean market access to reserved markets, that is, markets primarily meant for the member states of a regional economic integration.

The second issue entails two sub-issues: (a) the creation of market access by a deliberate international policy

determined at an international forum; and (b) to develop the capacity for the less privileged or less capable in order to ensure that they can enter the markets, that is, by strengthening their infrastructure. This latter sub-issue is extremely important in ensuring that developing countries have market access. It is maintained that so far international action for trade liberalisation has not effectively been directed at this issue. Although the Charter of Economic Rights and Duties of States, 1974 did address the matter, unfortunately none of the developed states, except for Australia, accepted this resolution. The remit of the World Trade Organisation (WTO) is much wider than that of GATT, but its objectives and performance have been subject to controversies. This is not the appropriate context to deal with this issue; suffice it to say that WTO's activities have already attracted sufficient controversy.

For the first time in the history of international action for trade liberalisation the Doha Ministerial Declaration 2001 identified most of the crucial issues with which an international trade liberalisation programme should be concerned. This is not to undermine the relentless efforts made by UNCTAD in achieving trade liberalisation through the Generalised Systems of Preferences (GSP) or by upholding the cause of developing countries by other means, such as tariff reductions or adding Part IV to the General Agreement on Tariffs and Trade (GATT). The Doha Declaration was the latest attempt made by the WTO to achieve international trade liberalisation.

A CRITICAL ANALYSIS OF THE DOHA MINISTERIAL DECLARATION, 2001

At Doha, several other Declarations were adopted in addition to the Ministerial Declaration:

- Declaration on the TRIPS Agreement and Public Health, 14 November 2001;
- Declaration on Implementation-related Issues and Concerns of 14 November 2001;
- Declaration on Procedure for Extensions under Article 27 for certain Developing Country Members of 14 November 2001;
- Declaration on European Communities (EC) – The ACP-EC Partnership Agreement, 14 November 2001;
- Declaration on European Communities (EC) – Transitional Regime for the EC Autonomous Tariff Rate Quotas on Imports of Bananas of 14 November 2001.

It is not possible to deal with all these Declarations in the space of an article, and it has thus been decided to discuss the principal Declaration as it incorporated most of the important trade and investment-related issues, although references will be made to the other Declarations where necessary.

The Doha Ministerial Declarations were based on the principles and objectives set out in the Marakesh

Agreement Establishing the World Trade Organisation, and the conviction that protectionism should be rejected. One of the principal objectives of the Ministerial Declaration is to gain enhanced market access and trade liberalisation for developing countries and, in particular, the least developed countries.

The programme of work conceived by the Doha Ministerial Declaration contains most of the important issues for trade liberalisation, albeit long-awaited. It was developed under the following main sub-headings:

- agriculture;
- services;
- market access for non-agricultural products;
- trade-related aspects of intellectual property rights (not discussed in this article);
- relationship between trade and investment;
- interaction between trade and competition policy;
- transparency in government procurement;
- trade facilitation;
- dispute settlement understanding;
- trade and environment;
- electronic commerce;
- trade economies;
- trade, debt and finance;
- trade and transfer of technology;
- technical co-operation and capacity building;
- least developed countries and special and differential treatment.

Only the most important aspects of these items are now discussed.

It is interesting to see that agriculture has appropriately received priority consideration in the Declaration. Agriculture is the primary sector of the economy of all countries, rich or poor alike. The latter, in particular, have virtually lost market access because all developed countries are advanced in their agricultural sectors and able to saturate or near-saturate their markets. Furthermore, market distortions, particularly in respect of pricing, and quality of product restrictions, often take place. The Declaration aims (at 748) at establishing:

“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.”

The Declaration recognises that special and differential treatment for developing countries shall be an integral aspect of all negotiations on agricultural issues. It also

recognises that modalities should be agreed to for ensuring market access for

non-agricultural products particularly from developing countries by reducing or eliminating high tariffs, tariff escalation and non-tariff barriers. The aim to enhance the position of developing and least developed countries by “capacity building” in consequence of which their ability to compete with developed countries is laudable, although the process is lengthy and perhaps uncertain.

The Declaration provides for “trade facilitation”, although it does not define it. In conformity with its etymological meaning, trade facilitation would include: reduction or elimination of administrative formalities; expediting release and clearance of goods, including goods in transit; customs formalities, and other barriers which prevent an easy access to overseas markets. As a measure of facilitation of trade, the Declaration had as its objectives to clarify and improve disciplines under the Agreements on Implementation of Article VI of the GATT 1994 and on Subsidies and Countervailing Measures taking into account the needs of developing and least-developed countries.

The Declaration identified the co-relationship between trade, debt and finance, although it does not elaborate on this issue. This is one of the crucial issues that a vast majority of countries experience. Ideally, there should be a coherence of international trade and financial policies. Without a state monetary and financial policy, which is the responsibility of a government, a country’s gains from external trade may not be significant. Most of the developing countries lack coherence in international trade and financial policies. This is where much work is necessary at national level, and governments should consider seeking technical assistance from the relevant international organisations, in particular, the International Monetary Fund. Although sustainable monetary and financial policies are essential for every country, it is questionable whether the implementation of these policies alone may enhance the trading position of countries, particularly when most of the markets in the Western world are near-saturated. This issue is further considered in the conclusion of this article.

Trade and transfer of technology is another issue which is close to the heart of the issue of economic development. The Doha Ministerial Declaration supported the idea of increasing flows of technology to developing countries. It must be seriously considered whether an increased flow of technology may necessarily contribute to the development process in a developing country. Firstly, the acquisition of foreign technology overburdens the debts of a poor country, and technology transferred to developing countries is often used or re-conditioned; secondly, a developing country should be deterred from joining a high technology race as such a race will always be between the equals and unequals. Instead, technical assistance should be provided to developing countries whereby they may be

able to develop their indigenous technology, according to their needs. Eventually, they should be able to strengthen their technological capacity.

The Doha Declaration rightly emphasised the need for technical co-operation and capacity building. This is particularly important for the small and least-developed economies, as otherwise they may not be able to participate in the multilateral trading system. It is also interesting to note that the Doha Declaration recommended special and differential treatment for developing countries, particularly least-developed countries. It further recommended that privity should also be allowed to small, vulnerable and transition economies.

The Doha Declaration acknowledged the seriousness of the concerns expressed by the least developed countries in the Zanzibar Declaration adopted by their ministers in July 2001, and recognised that the integration of the least developed countries into the multilateral trading system required meaningful market access, support for the diversification of their production, and export base, and trade-related technical assistance and capacity building. Doha also re-affirmed provisions for special and differential treatment as an integral part of the WTO Agreements; it supported such treatment in favour of developing, and in particular the least-developed countries, and expressed the view that all special and differential treatment provisions should be reviewed with a view to making them precise, effective and operational. The Declaration also endorsed the work programme on special and differential treatment set out in the Decision on Implementation-Related Issues and Concerns. Incidentally, some WTO members proposed a Framework Agreement on Special and Differential Treatment (WT/GG/W/442).

The document entitled *Implementation-Related Issues and Concerns* (WT/MIN(01)/DEC/17) also decided on certain issues, and particular agreement on:

- Agriculture;
- Textiles and clothing;
- Technical barriers to trade;
- Trade-related investments measures;
- Subsidies and countervailing measures;
- Trade-related aspects of intellectual property rights (TRIPS).

The basic themes of these decisions were to recognise the plight of developing countries in international trade and provide technical assistance to improve their competitive position where necessary. This issue of subsidies allowed by developed countries remains a matter of common concern for developing countries.

The Doha Ministerial Declaration was a comprehensive, albeit over-ambitious, framework meant for allowing

developing countries to participate as meaningful actors on the international trade market. But, strictly speaking, Doha mostly acknowledged and/or recognised the issues with which developing countries generally were concerned for enhanced market access, but it may be maintained that there was no consensus among developed countries that they would eventually commit themselves to these issues. Furthermore, the economic interests of developed countries were also varied; for example, what the EU as a trading bloc might agree, other developed countries might not do so. This also became evident at the Cancún Conference. Doha predominantly identified the aspirations of developing countries to use trade as an important factor of development, thus, enhanced market access of their products proves to be essential for them, whereas developed countries do not usually encounter much difficulty in gaining market access for their high-technology based products. Developing countries thus need concessions for market access for their agricultural or high-technology based products with which developed countries' markets are already near-saturated.

THE ROAD FOR DOHA TO CANCÚN

As stated earlier, Doha identified the aspirations of developing countries, Cancún was supposed to materialise them. However, a considerable amount of preparatory work for that outcome was necessary before proceeding towards Cancún. The deadlock on the Singapore issues, particularly in respect of agriculture and trade distorting subsidies and the fundamental differences in Geneva gave an early signal of the predictable failure at Cancún.

The journey from Doha to Cancún may be described as a journey from the South to the North. It is bumpy and uncertain journey – uncertain in that the reaction of the developed countries to the proposals put forward by developing countries was not foreseen. Developing countries took it for granted that Cancún would resolve all their problems, without appreciating that the developed states may have to protect their interests too.

The lack of achievement at Singapore and Geneva should have been reflected upon. From this point of view, the journey to Cancún was premature; the fundamental issues should have been considered seriously, and policies set out. The key issues were subsidies by rich countries; dumping of products on developing countries' markets; the adverse effect of regional economic arrangements constituted of developed countries on developing countries; the extent to which protection of the agriculture sector by both developed and developing countries should be viable; capacity building by developing countries; and trade-related aspects of intellectual property rights

The implementation of both Ministerial Declarations will thus remain incomplete until these fundamental issues among others have been openly discussed by both developed and developing countries. Doha clearly

identified the issues which, unless correctly dealt with, will never allow developing countries to fulfil any role as actors on international markets. Among these, the issue of technical co-operation and capacity building should be prioritised. It must be re-iterated that the identification of issues and problems is merely preliminary to appropriate policy making; it does not provide remedies, and in seeking a holistic view of the problems of both parties, developed and developing countries should be taken into account.

CANCÚN AND THE FUTURE OF A MULTILATERAL TRADE SYSTEM

The aim of the WTO Ministerial Conference in Cancún, Mexico in September 2003 was to evaluate the progress achieved through the Doha Round in November 2001. The Cancún Conference ended abruptly because it failed to reach a consensus among the members of the WTO on the contents of the draft Declaration. A degree of bipolarisation took place at Cancún between the developing countries which refused to allow concessions on the issues of competition policy at Singapore – trade facilitation, investment and a greater transparency in respect of procurement system operated by government – and the lack of commitments on the part of the European Union and the United States on the time scale and date for ending farm subsidies. Basically, it ended up as a deadlock of North-South dialogue on issues of international trade.

Whereas the Doha Ministerial Declarations were thought to have formed the bases for further negotiations and implementation of trade policies, the Cancún Round sapped the foundations of the Doha Round – unless the international community decides to return to Doha. Agriculture became the central issue at Cancún, whereas the developing countries proposed a greater access to the markets of developed countries by requiring the latter to end subsidies on agricultural products, the developed countries failed to effectively respond to that proposal. The recent reform of the European Common Agricultural Policy (CAP) for the reduction of direct subsidies to farmers did not satisfy the developing countries. Failure at Cancún was predictable

The Doha Round established the framework of international trade; Cancún was supposed to be a follow-up to Doha. But, on the other hand, Cancún's agenda was effectively diverted into the old scores between developed and developing countries. Whereas developing countries worked to see “development” as a result of trade, developed countries were seemingly concerned with trade. Thus, developing countries maintained that the issue of development should be incorporated into the multilateral system on which there was no consensus among developed countries. The issue of the availability of medicines requiring flexibility in the TRIPS (Trade-related aspects of international property rights) – which is another primary negotiation item – did not receive any serious attention from Cancún. Although “development” was to be the

central issue at Cancún, no appropriate preparatory action was taken to pay account to that.

The reason why failure at Cancún was predictable was that the developing countries have failed to appreciate that agriculture and agriculture-related products are the principal sectors of their economies which engage a large number of farmers. These sectors are so important that governments keep them going by providing subsidies, which developing countries may not be able to do in the near future. Furthermore, the reality is that the developed countries are so advanced in their agricultural and non-agricultural sectors that they do not usually need any foreign agricultural products; their markets are already saturated. Thus, developed countries have difficulties in allowing developing countries concessions, unless they are able to receive them on a bilateral basis. This is where developing countries are required to exercise their bargaining power, preferably by assuring them of something (goods or services) or setting up industries in return.

Furthermore, the interests of developing countries are diverse; it is difficult, if

not impossible, to accommodate them in any one agreement, which the developing countries primarily wanted through a multilateral framework. The failure of Cancún was predictable to the extent that developing countries themselves would not have a consensus on trade and development issues bearing in mind their diverse demands and requirements, and that developed countries are, for practical reasons, unable to accommodate all demands and requirements.

WHAT WAS ACHIEVED AT CANCÚN

Developing countries, by and large, wanted an extension of the Doha Development Agenda at Cancún, but the latter effectively turned out to be a platform for bringing out the differences between the developed and developing countries on specific issues in which both parties have interests of a fundamental nature. Cancún clearly revealed once again North-South divide on fundamental issues. The diverse requirements and demands of developing countries also became apparent at Cancún.

Whereas countries such as Argentina, Brazil or Thailand have interests in obtaining market access for their globally-competitive exports, including their agricultural products, some other developing countries are still food-importers, and others would like to protect their agricultural sector from foreign agricultural products. Developed countries, on the other hand, have uniformly wanted to protect their agricultural sectors, and to expand their export markets.

A number of developing countries, including many belonging to ACP, wanted to

protect and continue with their preferential arrangements with rich countries, and particularly EU

countries. Indeed the EU lends its support for market liberalisation in general, which issue was clearly brought out by four Western and Central African countries. At Cancún, despite their variety of interests, developing countries clearly identified the need for providing protection and market access to their agricultural products. Brazil, China and India also identified other issues apart from agriculture.

Cancún revealed that the developing countries need more convincing arguments to win the minds of developed countries in support of their cause. WTO/GATT is a consensus-based organisation; participant countries, both developed and developing, are required to realise that unless a proposal is acceptable to both parties, it will be rejected. That is precisely what happened at Cancún. This is also where difficulties lie in having a consensus-based multilateral system. Well-thought out plans and strategies are necessary to achieve anything on a consensus basis; this was not done as a preparatory requirement for meeting at Cancún. Furthermore, the grounds for a consensus should also be clearly thought out bearing in mind the competing interests of other parties (currently, WTO has 146 members). Interestingly enough, the ACP Group, the African Union and the least developed countries met and agreed to present their case jointly on issues such as agriculture, non-agricultural products, the Singapore issues and, of course, development issues, issues of differential treatment, small economies debt, transfer of technology, capability building, technical assistance, rules on original trade agreements etc. But, unfortunately, their ideas were not regarded by others at the conference from the same standpoint.

CONCLUSIONS

It would be inappropriate to evaluate Cancún in terms of success or failure. Cancún was prematurely held. The gulf between the developed and developing countries in trade-related matters is almost unbridgeable. The national interests of individual and regional economies are often at odds with the issues of multilateral or trade liberalisation.

Certain common issues between developed and developing countries exist in relation to foreign trade. Both groups of countries would like to preserve their agricultural sectors even by providing subsidies to their farmers. The Subsidy Code of Conduct and subsequently the Subsidy Agreement did not change the situation significantly. The most that developing countries can sell to the developed markets are quality agricultural products; but as stated earlier, these markets are near-saturated with the products produced by developed countries. Unless special resources dictate it, the agricultural sector has usually been a closed sector for both developed and developing countries. Neither GATT nor WTO has been able to successfully deal with the subsidy issue. About half of the EU's annual budget is allocated to agricultural

primarily to protect the EU farmers; the European market is known for having food mountains.

Other rich countries, such as, Australia, Canada, Japan, New Zealand and the United States have significant agricultural sectors. They may not be expected to sacrifice their agriculture sectors to developing countries. In fact, developing countries should, on the other hand, ensure that food products are not dumped by rich countries on their markets, as dumping of these products will adversely affect developing countries economies.

In view of their high costs of production owing to high labour charges, and often not protected by subsidies, textile products, which are of high quality in most of the developing countries, have been allowed market access in the West. This also proves another issue, that is, with proper training and skills, developing countries can effectively have market access. Therefore, the issue remains whether developing countries should acquire technical assistance to improve their skills instead of seeking concessions from external sources.

The consensus-based institution GATT was set up in 1947 with a view to providing multinationalism in trade. GATT also provided for preferential trading arrangements. But if one takes stock, it can easily be seen what GATT actually achieved. Furthermore, international trade on a most-favoured nation basis can never create commercial equality (see S K Chatterjee, "Forty Years of International Action for Trade Liberalisation" in the *Journal of World Trade*, (1989), in which the author details the nature of international action for trade liberalisation between 1945 and 1985, at pp 45-6). The proposal for granting a generalised system of preferences (GSP) by UNCTAD for products of developing countries presented a problem for GATT, particularly because the Agreement did not provide for such preferences, and that notwithstanding that the rule under Article XXX would not allow any such proposal to be approved.

GSP was finally granted under an enabling clause, and excluding agricultural products. According to its terms, GSP on products is not automatically renewable; it is therefore uncertain and its grant depends upon the discretion of the grantor. Thus, GSP is not an integral part of multinationalism on a permanent basis.

What does "multilateral world trade negotiations" stand for? It is a mechanism whereby trade issues will be negotiated multilaterally, and that forum is currently provided by the World Trade Organisation. But these negotiations, which have been going on for half a century, have predominantly achieved tariff reductions and access for certain products from developing countries under certain conditions. The progress of the Kennedy Round and Uruguay Round may seem to be remarkable in terms of tariff reductions, but the objectives of foreign trade – that is increase of foreign currency reserves or increase of domestic investments in developing countries – have not

been remarkable. Furthermore, foreign trade, in most cases, has not been a major runner to allow investment in the infrastructural sector in the majority of developing countries. Of course, internal policies of countries are also important. However, one should nevertheless reflect on the feasibility and effectiveness of multilateral trade negotiations system.

What is meant by "market access"? Literally, speaking, "market access" means access to a market. Access to a market depends on the following: (a) high quality of goods; (b) competitive price; (c) availability of market; and (d) access by arrangement. Usually, developing countries in most cases would not be able to satisfy the first three conditions, other than the condition at (b). But, then, if the quality of goods is not high for acceptance, the question of satisfying the condition at (c) would not arise. Availability of markets by multilateral arrangements is an extremely difficult task to achieve, and this difficulty was again experienced at Cancún. It would be a fantasy to think that all developed countries will agree to sacrifice their markets to developing countries. Furthermore, these arrangements may not be made on a permanent basis, as long-term arrangements may have adverse effect on the economies of developed countries. The socio-political and economic effect of such arrangements in developed countries may be far-reaching.

Thus, the choice is to develop export trade, by which market access is by means of bilateral arrangements. The advantages of developing export trade by means of bilateral trading arrangements are manifold: (a) such arrangements may be made with a country which can derive mutual benefit, in the form of acquiring goods at a preferential price; (b) skills may be made available to a developing country from the developed country concerned; and (c) under an investment treaty, goods for developed countries may be manufactured in the developing country concerned whereby the developed country requires high quality goods at a cheaper price and the developing country would derive benefits in the forms of increased employment, income experience etc. Furthermore, bilateral trading arrangements may be made on a counter-trade basis. Bilateral trading arrangements may also be operated on BOT (Built Operate and Trade) basis.

It must be considered whether developing countries should, as matter of policy, seek trade concessions and market access. Both stand for discretionary grant from the grantor. Instead, the time has come for them to utilise their own resources effectively, human and otherwise, in an attempt to minimise their dependence on others. One of the means of relieving this would be to expand their domestic markets, and gradually, their regional markets, which are of similar standing.

It is also to be considered whether regional economic arrangements constituted of developed countries deny developing countries market access. Take for example, the

European Union which will ultimately consist of 24 countries. Under the Accession Treaty, the EU has a primary obligation to accommodate their products in the EU market; furthermore, there is a priority to improve their economies too. The EU market will be saturated with products, primarily agricultural, from these countries. In the circumstances, how could developing countries expect to have appropriate market access to the European Union?

Now take the example of the Lomé regime. Under the trade arrangement, the EU has committed itself to special preferential treatment to the Lomé countries. The ACP EC Cotonou Partnership Agreement strengthened the ACP EC relations. During the Lomé IV and Lomé IV (bis) political relations between the EU and ACP developed to such an extreme that both parties agreed to its subsequent institutionalisation in the Cotonou Agreement. This Agreement provides for, inter alia, the broad guidelines for comprehensive, balanced dialogue leading to commitment on both sides between the signatory parties on peace, management migration, conflict prevention etc. Trade under Cotonou will be operated on a concession basis; the capacity building of the ACP countries is the most important factor for ACP countries. The ACP-EC Co-operation does not exclusively assume market access.

One should then consider those developing countries who are not parties to the Lomé regime. They are the countries who have no choice other than to conclude bilateral trading arrangements with some of the developed countries. Thus, the portion of the countries in world trade may be described in the following way:

Australia, Canada, Japan, New Zealand, Norway, Switzerland, the United States	→ Seven rich countries outside the EU
Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden and the United Kingdom	15 EU members
Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Poland, Romania and Slovak Republic, Cyprus and perhaps Turkey	9 future EU members
Others	
(1) currently 79 ACP states	Outsiders
(2) Other Asian including Iran and Israel, other countries in the Middle East, and Latin America and in the Eastern Bloc	

This categorisation of countries should provide a clear picture as to the trading prospects of developing countries with developed countries. Once again, all rich countries are primarily self-sufficient in their agricultural sector. Each of them bears its own economic characteristics. Thus, no

general multilateral agreement may be achieved on the basis of common elements by developing countries. On the other hand, opportunities may exist for each of the developing countries to develop bi-lateral arrangements with developed countries. Furthermore, the European Union has its priority obligations to honour in respect of its member states. Thus, their market will be first open to their own members, for both agriculture and industry. If one takes 31 developed countries out of the equation for the reasons stated above, the vast number of developing states cannot possibly bring their limited markets to bear upon the pressure from about 170 developing countries.

Some fundamental policy-making is necessary to protect the position of developing countries. One of the ways to protect them might be, as suggested before, to expand their own domestic markets to create demands which would give rise to other positive economic effect, such as increase in employment, income etc. Developing countries should also try to expand their markets within the developing world. Bearing in mind that developed countries are extremely advanced in technology, unless exception exists, in general, developing countries may not be able to compete with them; nor should they join the technology race with developed countries. Instead, they should improve their technological position by seeking technical assistance on a bilateral basis.

Developing countries should also consider what has actually been achieved through a multilateral trading systems advocated by GATT/WTO, and by comparison, by bilateral trading arrangements. Any multilateral trading arrangement might not suit the special circumstances of a state, but a bilateral arrangement can. Such arrangements become more direct; cater for benefits of the country concerned, and are usually based on the beneficiary's (developing country's) interest.

Cancún should be regarded as an eye-opener for many. One cannot and should not live on concessions. Living on concessions granted by the stronger has a demoralising effect on the beneficiary. Concession-giving runs counter to the principle of equality in law, and perpetrates dependency.

Developing countries should go to the root of the problem: whether they should

not expand their markets, internally and externally, the latter within similar economies, and they should seriously consider the effect of regional economic integrations constituted of developed countries upon developing countries. 

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