T.C. UNIVERSITY OF BAHÇEŞEHIR

THE ROLE AND THE IMPORTANCE OF DEVELOPING COUNTRIES IN THE WORLD TRADE

M.A. THESIS

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UNIVERSITY OF BAHÇEŞEHIR THE INSTITUTE OF SOCIAL SCIENCES THE EUROPEAN UNION RELATIONS PROGRAM

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To my family....

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ABSTRACT

THE ROLE AND THE IMPORTANCE OF DEVELOPING COUNTRIES IN THE WORLD TRADE

EREN AYSU

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The movements of liberalization in the commercial system started after the Second World War. The objectives of the commercial system are enumerated by the Agreement instituting WTO which substitutes General Agreement on Tariffs and Trade (GATT). These two organizations aim to the integration of the developing countries in the world trade and contribute certain privileges to them.

This study has the objective to treat developing countries by examining the cycles of GATT and negotiations of WTO, which is one of the most important actors of international economic system. Therefore, the study emphasizes the place of developing countries and their activities for attain their objectives like trade concessions and privileges etc. in order to survive in the globalization process.

Key words: Developing countries GATT (General Agreement on the Trade Tariffs) Globalization WTO (World Organization of the Trade)

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ÖZET

GELİŞMEKTE OLAN ÜLKELERİN DÜNYA TİCARETİNDEKİ ROLÜ VE ÖNEMİ

EREN AYSU

AVRUPA BİRLİĞİ İLİŞKİLERİ YÜKSEK LİSANS PROGRAMI Tez Danışmanı: Yrd. Doç. Dr. Özgür Ünal

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İkinci Dünya Savaşından sonra dünya ticaret sisteminde liberalleşme hareketleri başlamıştır. Dünya ticaret sisteminin amaçları önce GATT (Gümrük Tarifeleri ve Ticaret Antlaşması), sonra da onun yerini alan DTÖ (Dünya Ticaret Örgütü) kurucu antlaşmalarıyla sıralanmıştır.

Bu çalışma, uluslararası ekonomik sistemin önemli aktörlerinden biri olan Dünya Ticaret Örgütü müzakerelerinden yola çıkarak gelişmekte olan ülkelerin bu müzakereler ve dolayısıyla dünya ticaretindeki yerini irdelemeyi amaçlamaktadır. Bu amaçla, çalışmada; gelişmekte olan ülkelerin küreselleşme süreci içinde ayakta kalmak için yaptığı aktiviteler ve müzakerelerde kazanmaya çalıştığı ticari kolaylık ve ayrıcalıklar üzerinde özellikle durulmuştur.

Anahtar kelimeler: gelişmekte olan ülkeler, GATT(Gümrük Tarifeleri ve Ticaret Genel Antlaşması), Küreselleşme, DTÖ (Dünya Ticaret Örgütü)

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LISTE OF ABBREVIATIONS

ACP : Group States of Africa, the Caribbean and the Pacific

ASEAN : Association of the Southeast Asian Nations

ATC : Agreement on the textiles and clothing

CARICOM : The Caribbean Community and Common Market

CCD : Committee of the commercial and development

CE : European Communities

FAO : Food and Agriculture Organization of the United

Nations

GATT : General Agreements on Tariffs and Trade

GATS : General Agreements on Trade in services

GNP : Gross national product

GSP : Generalized system of preferences

IBRD : International Bank for Reconstruction and

Development

IMF : International Monetary Fund

ITO : International Trade Organization

MERCOSUR: The Southern Common Market

MFA : Multifibre Arrangement (replaced by the ATC)

MFN : Most favored nation

NAFTA: North American Free Trade Agreement

NGO : Non governmental organizations

OECD : Organization for Economic Cooperation and

Development

PDD : Program of Doha for the development

TRIPs : Trade-related aspects of intellectual property rights

UNCTAD : United Nations Conference on Trade and Development

WTO : World Trade Organization

INTRODUCTION

Estragon: Well? Shall we go?")

Vladimir: Yes, let's go

But neither moves¹

Today, the globalized world is not any more threatened by the danger of a nuclear

war or by the cold war. The new total threat relates to the problems resulting from

unemployment, the hunger, ignorance and the inequality in the developing countries.

There was a demonstration of 40.000 people came to protest the global injustice and

the hypocrisy of the developed countries, at the time of the conference of WTO in

1999. (De Beer & Caramel 1999) Although WTO was created on the basis of equal

commercial treatment between the countries, it is why the demonstrations carried out

one of the most crucial question.

With the end of 20th century, the companies and the individuals found themselves in

an atmosphere of change and a world marked by a new system. During the 20th

century, within the framework of a change which the essential base and the catalyst

force of the revolution of information and technology, universalization requires also

a rebuilding in the global economy.

The world economy at that time, where the multinational firms are supported by the

dominant, powerful economies, testifies an increasingly effective concurrence on the

international scene. It acts of a tendency to reduce the role of the state in the

economy.

This century is primarily designed by the role of the individual who is a pushing

force of the economy. (Özcan 2004, p.35)

On the other hand, it is possible to say that the states can take part in the concurrence

while investing on the individual and by having an economic structure based on the

industry of information.

¹Samuel Beckett, 1948, En attendant Godot, act I

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On the economic scene, there is a setting in evidence of coherence of the applied economic policies at the same time in the developing countries and the developed countries. The economic systems got liberated and globalized more and more with the long ones. At the age of globalization, the disappearance of the borders due to the internationalization of the economic or financial exchanges with the suppression of the customs, the quotas or the quantitative restrictions generates an increased interdependence of the national economies.

A good economic structure and the increasing development are regarded as the components of the advance in the force of the international competitivity of the developing countries. In the event, the augmentation in the force of the competitivity provides the long run of social happiness in the developing countries. (Özcan 2004, p.61)

Actually, these are developing countries and the less advanced countries which meet difficulties and problems much more often than the others in the process of globalization. Probably, this situation requires the acceptance and the adoption of the ethic, legal and economic rules because of a more equitable system in the whole world and the administration of the world economy by these suitable rules.

This is why the economic organizations of any kind were formed for directing well the liberalization and the intensification of the exchanges, the world trade between the countries and the continents.

The world after the World War II had needs for the new principles governing the exchanges and the international trade. After the great crisis of 1929, the Western countries had protectionist policies by limiting exports and applying quotas. But after the war, the same countries organize the conference of Bretton Woods in 1944 for the creation of an International Trade Organization (ITO) which was a failure that was never created. (Trebilcock & Howse 2005, p.23)

The failure of the ITO resulted with the success of GATT (General Agreements on Tariffs and Trade), multilateral treaty with the departure concluded by 23 countries.

GATT manages the respect of the principles of the general agreement and it leads trade negotiations "multilateral" or intended rounds to increase the international liberalization of the trade. "The Contracting Parts" of this institution worked cause a

drop in the customs duties on the goods and these efforts to lower the customs duties leading to the birth of the World Trade Organization. (Rainelli 1996, p.22)

GATT leaves its place in 1995 with the final act of the cycle of Uruguay, with the World Trade Organization (WTO) having a statute of international organization. (Rainelli 1996, p.22)

The fundamental principle from both was the commercial equal treatment between the countries. But "did all of the countries profit from the same conditions or the same economic development?"

If we see the situation of the developing countries, especially the less advanced countries, the answer would be indeed not! Although a huge progress was made at the 20th century, today the world runs up enormous inequalities and deep disparities which threaten humanity.

According to the world report on the human development, the individuals living in the under developed countries sufficiently do not benefit from the most certain essential elements. It is estimated that 1,3 billion individuals have an income lower than a dollar per day and that 1,2 billion men are private of drinking water, the problem of health, the social problems as delinquency are the consequences of the underdevelopment.(available from http://www.attac.org/fra/themes/economie.htm cited 25.03.2006) The gap of income between the richest countries and the extreme inequalities between the countries and the areas of day in day increase the tension which is the principal cause of the many current civil conflicts.

What are the reasons of these inequalities and fragmentations within the world company and how does the current policy of WTO try to save the privileges of the developing countries?

The integration in the system of the world trade depends on the countries and their trade partners who conduct to establish policies and institutions being favorable to the goods and the services, thus based on specialization and the comparative advantage. (Michalopoulos 2001, p.1)

These rules were laid down and are applied in the context of the agreements managed by WTO.(ibid.) In this environment, the developing countries take part in a round of important trade negotiations within WTO on the more crucial questions like agriculture, the services, the rights of intellectual properties etc.

The commercial interests of the developing countries are completely varied and their positions on various questions change, but in Seattle many of them were plain in their dissension with the range and the contents of the negotiations suggested by the developed countries, and the great majority of the less advanced countries were dissatisfied with the processes used to conclude the agreement with an agenda for a new round.

It is difficult to express if WTO is a good means of integration of the developing countries in the system of the world trade.

It is the question which we seek to answer in this study, while asking us which role belongs to the trade negotiations within WTO in the safeguards of the privileges of the developing countries.

For better treating this phenomenon of relation between the developing countries and WTO, we will thus be based, in a first part on a historic insight of the multilateral commercial system before the creation of WTO.

In the Eighties, the developing countries modified their trade policies and started to play a more active part than before in the world trade. From this date, the movement of liberalization was heard and generalized in the developing countries. During this time the world testified a cycle important which previewed the creation of WTO and succeeded a new commercial system, different system of GATT by governing the services and the intellectual property with the dimension of the goods.

The second part will be centered on the ministerial conferences within WTO by treating the situation and the profits of the developing countries.

1. A HISTORIC INSIGHT OF THE COMMERCIAL SYSTEM BEFORE THE CREATION OF WTO

Our historical approach starts with the evolution of the international trade and the commercial policies before GATT, the general agreement on the tariffs and trade, was founded in 1947. Then, the study continues to present GATT and evolution of the place of the developing countries in the "rounds" of GATT while examining which are the profits, privileges of the developing countries in the world trade.

1.1. THE COMMERCIAL POLICIES BEFORE GATT

The history indicates "in generally the periods of economical stagnation supports the rise of protectionism, whereas expansionary phase are more favorable to the free exchange." (Rainelli 1996, p.5) Also reveal that when protection reinforced the recession, the free exchange was favorable to the growth.

The majority of the countries were free to choose their marketing policies with respect to outside before 1947, date of the general conclusion of the agreement on the trade and the tariffs; therefore there was no multilateral framework which regulates the international trade. The conclusion of GATT in 1947 was only the starting point of a round of negotiations which aimed at reinforcing the free exchange. (Rainelli 1996)

1.2. ESTABLISHMENT OF GATT

GATT is one of the most effective economic instruments after war. The organization, born from the agreement of Geneva is simple, includes a deliberating body named, "the contracting parts", a secretariat-general and a committee of intercession. Its action is having the general faith (doubtful effectiveness) and more particularly customs (extremely important). (Schmeltz 1965, p.113)

The principle of non-discrimination is mentioned in the preamble to GATT and is amplified in two provisions: Article principal I, adopting the principle of most favored nation; and article II, adopting the principle of the national treatment.

1.2.1. Clause of the Most Favored Nation (MFN): Equal Treatment for the Others

Normally, this concept gives rise to us to think that it acts of a special treatment, but with WTO, this concept means principle of non-discrimination, in other words, equality of treatment for everyone. Its importance is such as it constitutes the first article of the General Agreement on the Tariffs and the Trade (GATT) which governs trade of the goods. (WTO « Understanding WTO » 2005, p.10)

Article I of GATT incarnates the principal engagement of MFN of the system of the world trade.

According to this article; any advantages, favors, privileges or immunity granted by contracting parties in a native product or in a destination of quite other country will be, immediately and unconditional, spread in any native similar product or for the territory of all other contracting parties.

This disposition concerns customs and taxations of all kinds received in either importation or in exportation either on the occasion of the importation or on exportation, as well as those who hit the international transfers of funds performed in settlement of importation or in exports, mode of perception of these rights and taxations, the whole regulation and of accruing ceremonies in importation or in exports as well as all questions which make the object of paragraphs 2 and 4 of the articleIII.(availablefromhttp://www.wto.org/french/docs_f/legal_f/gatt47_01_f.htm#a rticleI cited 20.03.2006)

The clause of the most favored nation (MFN) is often considered as a pillar of the multilateralism; it has two essential functions:

It prevents discrimination and it secures the agreements while preventing that their expected effects are later on called into question by an inversion of alliance, it could be considered by a preferential agreement.²

The political reasoning as a matter of principle of MFN is based on belief that the « principle of MFN » favors better international relations since it avoids bitterness and tensions which can result from discriminating policies. (Davey & Pauwelyn 2000, p.15)

The most favored nation principle prevents governmental attempts from counting on ad hoc policies based in the short run on the political considerations which could increase tensions among nations.

The clause of the most favored nation (MFN) found the support in the classic theory of international trade. According to this theory, discrimination between the foreign suppliers modifies the operation of the mechanism of the prices.

"When the governments uniformly apply the commercial restrictions without respect for the origin of the goods, the system of the market of the attribution and the production of goods will have the maximum effect." (Jackson 1997, p.159) Moreover, by making distinctions between the exporters, the governments cause "a bad allowance of the resources inducing a shift of the resources towards these producers relatively less effective who are favored and far from these effective producers who are disadvantaged. (Gatsios 1990)

Discutably, one of the main virtues of the clause of MFN is its multiplier effect: that is the general implementation of commercial policies by liberalization. (Jackson 1997, p.159)

However, on the one hand, the automatic prolongation of the concessions caused by the clause of MFN contributes to the generalization of the commercial policies of liberalization, on the other hand the occasions for "free-riding" produced by the clause which can have as consequence of the commercial liberalization.³

The presence of the clause of MFN in a treaty for instance between countries A, B and C - protects the value of concessions by preventing the country B from making a

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² Jean Marc Siroen, *La Regionalisation de l'economie mondiale*, La Decouverte, Paris, 2000 p.68 ³ In economics and political science, free riders are the actors who consume more than their fair share of a resource, or shoulder less than a fair share of the costs of its production.

better concession as regards the same goods in the country C without extending this concession in A. In the absence of the commitment of MFN, a concession accepted by A of B can be mined if the country B makes a better concession as regards the same goods in the country C later. (Trebilcock & Howse 2005, p.53)

The multilateral institutional structure and its long-term prospect for GATT allow governments to establish more complex arrangements to ensure the basic reciprocity and to the minimum to reduce the negative effects of "free-riding".

At the origin of the GATT, the principle of the most favored nation was restricted to property. It applied neither to movements of services, nor to factors.

They saw that such changes in the Uruguay Round which generalizes this clause in services, but with possibilities of release as in the example of cultural services.

1.2.1.1. MFN principle and the exceptions

The applied principle includes a certain number of exceptions.

The most important exception to the principle of MFN is the authorization of the customs unions and the sectors of free exchange under the terms of article XXIV of GATT⁴ (Czaga 2004) provided that two basic conditions are met, the commercial restrictions are eliminated with regard to almost all the trade between the constitutive territories and the customs duties will not be higher than the functions reigning on average in all the territories constitutive before the formation of a sector of customs union or free exchange.

The article XXV: 5 of the GATT⁵ envisages that in special circumstances not in another way envisaged in agreement, the members can move aside a commitment, including the commitment of MFN, imposed on a member by the GATT, provided that such decision is approved in one two - third majority of the sum of voice and such majority include more than the half of the members.

http://www.olis.oecd.org/olis/2004doc.nsf/43bb6130e5e86e5fc12569fa005d004c/ca7fd93b88feea13c1256f1c004779c3/\$FILE/JT00173984.PDF (n.d.)

⁴URL Adresse: available from

⁽available from http://ec.europa.eu/comm/development/body/cotonou/lome_history_fr.htm cited 22.03.2006)

A renunciation of MFN was provided to the European Community for example in order to facilitate provision of trade preferences on a non-system basis of generalized preferences with a selected group of country in the process of development in the Lome Convention. (Trebilcock & Howse 2005, p.54)

This renunciation was the subject of the adjustification in the conflict of bananas. The exceptions of national security, identified in article XXI of the GATT can justify the taxation of trade restrictions on a discriminating foundation.

"Under the article XX of the GATT, exemptions of the engagements of the GATT, including the engagement of MFN are furnished in regards to the adoption or the application by members of the measures, for example, necessary to protect from public morals; necessary to protect health or the life of the animals or people; necessary to set up the accordance to the laws or for the rules which aren't contradictory with the GATT, imposed to protect the national treasures; or necessary for the conservation of the exhaustible natural resources, provided that any constitutes of these measures an arbitrary discrimination or unjustifiable between the countries where them same conditions reign, or an international trade disguised of restriction." (Trebilcock & Howse 2005, p.55)

1.2.2. National Treatment: Treatment Equality for the Foreigners and the Nationals

For understand the central role of the national treatment in the commercial liberalization, we must start with the original character of such liberalization as exemplified in the GATT. The concept of the national treatment is central to the law of the international trade, and is reflected not only in all of the principal treaties of the WTO, but equally in every principal commercial agreement.

In the matter of exchanges of the merchandise, the national treatment means that a part of a commercial treaty must not do discriminations against importations, once they violated this rule, in privileging the less favorably that the internal trade products with which are in competition on the internal market of country of importation. Thus, the national treatment is a discipline on the internal politics of the members on a commercial system of liberalization. (Trebilcock & Howse 2005, p.83) It is not necessary to mix the concept of the most favored nation and the national treatment. They are not synonymous.

"The national treatment applies only once a product, service or element of intellectual property was admitted on the market. However the sampling of rights of customs to the importation is not in contrast to this very principle when no equivalent tax is perceived on the local manufactured products." (WTO, «Comprendre l'WTO » 2005, p.11)

1.3. THE PLACE of the DEVELOPING COUNTRIES in the SYSTEM of the GATT

When the GATT was established in 1947, eleven of the 23 member nations would have been considered as the developing countries. Although to this era, there was not any definite identification of such a group, therefore we can say that there wasn't an applicable principle for the developing countries until the end years of the 40's. (Michalopoulos 2001, p.23) The relating questions to the economical developments were approached at the time of the negotiations that took place at Havana between November 1947 and March 1948.

At first years of the 50's, the developing countries began underlining their development problems, the necessity of being treated differently and the necessity to attain the markets of the developed countries.

For the first time, in the sessions 1954–55 of GATT of the disposals were adopted to satisfy the needs of the developing countries in so as groups in the GATT regarding to improve the access of the market, for interest products, of exportations to the developing countries. ⁶

Following revision session, in November 1956, the contracting parties adopted a resolution on special difficulties related to the commerce of the basic products, which interested all particularly the developing countries.

In 1957, the report of Haberler, a team of experts named by the meeting of GATT, concluded the strong agricultural protection in the industrialized countries increased the problems of the producer countries of the basic products. The report recommends that the reduction of the internal taxes in the products as coffee, tea and tobacco in

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⁶OMC, Document d'information, Symposium de haut Niveau sur le commerce et le développement, Geneve, 17-18 mars 1999, p.12

the underdeveloped countries and recommends a moderation of the agricultural protection in the industrialized countries, in order to help the developing countries.⁷

In 1961, GATT adopts another declaration on "the promotion of the trade of the less developed countries" while saying that the access to the markets for the developing countries is not covered by the preferential system of the tariff or by the zone of free trade that established itself later. This was the first mention in the GATT, that will more become "generalized system of preferences".

1.3.1. Participation of the Developing Countries to the Activities of the GATT

The number of the developing countries participating in the conducted negotiations in the framework of the GATT increased uniformly: thus, 25 developing countries took part in the negotiations of the Kennedy Round, 68 to the one of the Tokyo Round and 76 to the one of the Uruguay Round. (www.wto.org cited 23.03.2006)

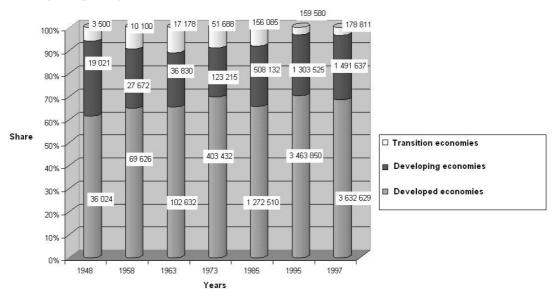
The value of the exportations of the merchandise of the developing countries increased itself of a factor closely of 69 between 1948, year of the creation of the GATT, and the institution of the WTO in 1995.

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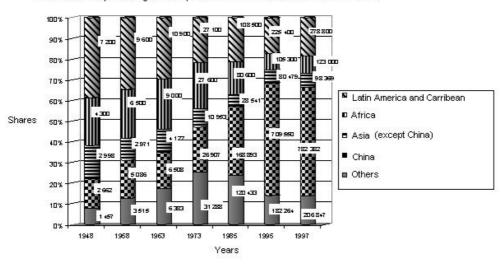
⁷Constantine Michalopoulos, Trade and development in the GATT and wto: the role of special and differential treatment for developing countries, www.wto.org, 28 february 2000 p.5

Graph 1

Share in the world exports, by group of the countries, for certain years, according to the value of exports of goods expressed in million dollars. Source: WTO



Graph II
Shares of the developing countries in exports, by area, for ceratines years, according to the value of exports of goods expressed in million dollars. Source: WTO

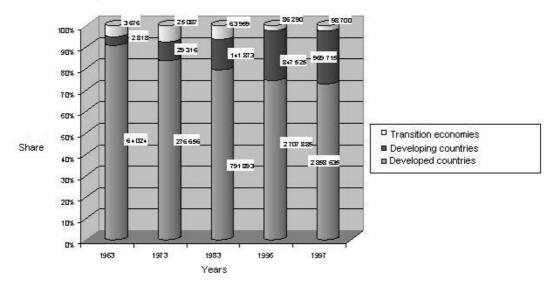


Others: Turkey, Romaine, Middle East

The share in the world exports by group of the countries and by developing countries for certain years, according to the value of exports of goods expressed in million dollars can be seen in Graphs I-II.

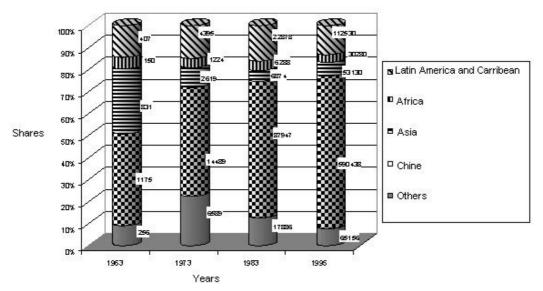
GRAPH III

Shares in the world exports manufactured goods, by group of country, for ceratines years ranging between 1963 and 1997, according to the value expressed in million dollars. Source: WTO



GRAPH IV

Exports of manufactured goods of the developing countries: leaves by area, for certain years, according to the value expressed in million dollars



According to the estimations, the developing countries have therefore been at the origin almost 21 per cent of the world-wide exportations of commercial services. When we examine the exportations of merchandise of the developing countries between 1948 –1997, one attends equality according to the regions.

1.3.2. The Cycles of the GATT and the Developing Countries

It was necessary to organize eight rounds of negotiations that aimed to reduce the rights of customs, the quantitative barriers including the reduction of the impact of the check of change. Where is the place of the developing countries in these negotiations? Have they taken privileges within the GATT rounds?

In 1964, a lawful framework was adopted within the GATT in which ones the concerns of the developing countries could be addressed: the party IV. That draft specifically the commerce and the development and contains three entitled new articles "principles and objectives" (article 36), engagements (article 37) and action collective (article 38)⁸ These articles furnish the accesses conditions to the markets for the exported and imported products "In the measure more big, the most favorable one and the most acceptable one". (www.wto.org/GATT,com.TD/W/37,paragraph 8)

In the paragraph 8, the non-reciprocity notion was treated and it indicates that "the developing countries are not foreseen doing contribution that is contradictory with their conditions." (WTO,1999, p.15) The developed contracting parties do not await any reciprocity for the engagements taken by them in the commercial negotiations to reduce or to eliminate the rights of customs and other obstacles to the commerce on the part contracting and other obstacles to the commerce on the less developed contracting parts.

At the time of these years, GATT took legally obligatory engagements for the access question to the developed and improved markets and in the course stabilization of the first matters. In this period most of the developing countries did not become the contracting part of the GATT. (WTO,1999, p.1) Then, the round of Kennedy (finished in 1967) and the round of the Tokyo came. (finished in 1979).

The report of these rounds of the negotiations contains formulas suiting in the reduction on tariffs of the industrial merchandise. Nevertheless, the average reduction of the following tariffs of both of the round was less favorable for the

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⁸ Document d'information, Symposium de haut Niveau sur le commerce et le développement, Genève, 17-18 mars 1999, p.14

developing countries. In addition, a certain number of the developed countries asked developing countries of the concessions of a non reciprocal privilege for the tropical products. The developing countries benefited from the considerable reduction of the rights MFN that the developed nations negotiated between them. (Rainelli 2001, p.65)

We testified that the developed nations took into account the requirements of the developing countries concerning their interests in exportation products, but these requirements were rejected or several negotiations were done without the essential parties, therefore they didn't have a satisfactory result for the developing countries.

The goal of Kennedy Round was to reduce all the customs tariffs at least 50 per cent. But with the signed agreement in 1967, they have intervened one of the tariffs of about 36 to 39 per cent. Despite certain compromises, certain products little touched by these reductions: these are the agricultural products for example and certain industrial products as the textile. (GATT activities en 1969-1970, Geneve, June 1970 p.37) As for the Round Tokyo, we attend that the goal was to bring additional advantages for the international trade of the developing countries while underlining the importance of the application of differentiated measures to these countries, according to the methods that assure them a special and more favorable treatment, in the negotiation sectors where were feasible and fitting.

The habilitation clause, entitled "differentiated treatment and more favorable", more completed reciprocity and participation of the developing countries was the one of the big decisions of the Tokyo Round and it foresees:

- An exception to the first item of the GATT having the goal to grant a differentiated and more favorable treatment of the developing countries.
- The preferential access of the developing countries to the markets of the developed countries on a non discriminatory basis and non reciprocal,
- An introduction of the preferential trade systems between the developing countries.
- A special treatment for the less developed countries. (Rainelli 1996, p.63-64)

In the system of the multilateral market, the establishment of the habilitation clause favored a lawful basis stronger for the special and differentiated of the treatment developing countries. Although the clause should be an adhesion of the developing countries in the multilateral system of the trade, most of the developing countries did not adhere to the motive, because they had been invited very late to the negotiations. It was envisioned for the rights of preferential customs granted by the developed countries to the developing countries. (Francis Mangeni 2002, p.2)

The contracting parties understood themselves on a principle in hope that the capacity of the developing countries will increase in a projected period or they will have to attain a sufficient level to eliminate the non access- reciprocal and preferential in the market.

In this period, the developing countries begin feeling that GATT is not the just way to address concerning the problems of these countries. They considered the GATT as a club of the rich countries; therefore they do lobbies for establishment of another separated organization to negotiate explicitly with their problems of the commerce and development.

This organization was: The United Nations Conference on Trade and Development. (UNCTAD) Which is the role of the UNCTAD on the developing countries?

1.4. UNCTAD (United Nations Conference on Trade and Development)

It was created in 1964 like a counterweight with GATT as a mechanism intergovernmental permanent. The conference is the principal body of General Assemble of the United Nations in the commercial field and development.⁹

It is charged to examine the international reorganization of the trade concerning the basic commodities. Currently, the UNCTAD comprises 192 Member States. In 1964, the Joint Declaration of the developing countries stated already the principle of the new international economic order. (Halil Seyidoglu 2003, p.622)

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⁹http://www.unctad.org 18.03.2006

The political interdependence is a basic condition of the development.

- *The natural resources must serve to the development of the productive countries.
- *The technical and financial assistance is necessary to the process of the industrialization of the poor countries, but it should not become an unbearable load for the debtors.
- *The non-discrimination rules are not applicable that between equal.
- *The economical development of all the countries is a condition of peace. (Zeynel Dinler 2000, p.471)

It was a matter of doing counterweight to the international organizations existing and to defend the interests of the less developed countries while establishing an equitable relation between the North and the South.

The work program of the UNCTAD is centered on the assistance to the countries the more divest aiming to favor their insertion in the world trade, therefore UNCTAD tries to help the third world countries, to pull the better party of the possibilities of the trade, of investment and development.

1.4.1. The generalized system of the preferences

UNCTAD looked for developing a generalized system of the preferences and gave rise to mutual preferences of insurance companies between the countries in the process of development that would not be widened to the developed nations. In 1968, one noted a unanimous agreement of the members of UNCTAD on this theme. The GATT accepts this sprain to the rule of the nation more favored in 1971, for a period of ten years.¹⁰

The generalized system of the preferences had a lot of difficulties because of the special preferences that profit certain countries in the process of development on the markets of certain developed nations, and inverse preferences that are granted by the countries in the process of development to certain developed countries. The United States for example refuse the system proposed by the UNCTAD while considering that the regional preferential systems (Agreements of Yaounde or Commonwealth)

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¹⁰http://ec.europa.eu/comm/trade/issues/global/gsp/index fr.htm 08.05.2006

The industrialized countries are involved in themselves, with the agreement of the GATT, to grand preferences in favor of the finished and semi-finished goods that originate countries in the process of development.¹¹

The conferences of Nairobi and of Manila tried to spread the list of the products, to eliminate the quotas, to assure the stability of the system, to establish the action rules to impose on the multinational firms and to create a zone of free exchange for the countries of the third world one, but the generalized system of the preferences without reciprocity was a failure. (Halil Seyidoglu 2003, p.625) UNCTAD encourages more and more the organization preferably mutual insurance companies between the developing countries, suggestion that was accepted by the GATT in 1971, three devices were presented.

- l) The expansion of the mutual exchanges based on the system preferably, of compensatory payments and of commercial cooperation
- 2) The economical cooperation or
- 3) The support of the prices of the basic products, by the political communes in the matter of balances of the payments.

Several agreements were signed, but the global results remained very faibled. Tariff reduction series in the framework emptied the system of the generalized preferences of all importance.

Moreover, the system of the generalized preferences did not be sufficient in the measure or essential products of these countries not about it profited. Let us not forget the measures of protection "safeguards" applied by the developed nations.

The action of UNCTAD is marked by the responsibility that it exercises in the negotiation of the international agreements on the basic products. The developed nations always looked for to free itself dependence of the first matters while exercising the monopoly of the scientific and technical research of the products of substitution, while dominating the market, while using the weapons of hunger or war. It exists again stabilization agreements of the prices that try to reduce the fluctuations. The numerous agreements stretching to organize the basic product markets had a long one and often painful history. Associations developed, the

¹¹ Op.cit.

producers of the first matters looked for to unite their forces. An integrated program was created for the basic products in 1980 that foresees the creation of a common bottom for the stabilization of the costs of the first matters to end to finance the constitution of the cushioning stocks and to take measures concerning the stabilization of the prices. UNCTAD proposal of which includes 18 products in the global negotiation, representing the three quarters (out the oil) exportations of the developing countries.

Certain agreements have done for objecting the stabilization of the prices and of other mechanisms that foresee the promotion of the products, the improvement of the sector of information, the consultation on the markets and the effort of the Research programs and Development.¹² The agreements work in the framework of the multilateral commercial system.

The considerable development that knew certain of these countries in the last decades showed inserts of divergences within the group 77.

1.4.2. The Group 77

The defense of the collective interests of some countries gives rise to the definite or informal creation of the associations. The group of the 77 was created in 1963 in the framework of UNCTAD by 77 countries that desire defending the interests of the third world one. ¹³ This is at first a negotiation framework, which progressively is institutionalized. It meets also, to the near international organizations or informal groups or institutions. This is also a negotiation instrument that enforces to set up of the common strategies, notably in regards to the main matters. The group of the 77 favors the cooperation between the developing countries, but also the industrialized countries in talks north and south. It defends the interests of the third world and exercises a non negligible pressure in favor of the respect of equity rules concerning the penetration of multinational firms in the developing countries and the markets of

¹² «Réunion d'experts sur le commerce dans le secteur agricole » communiqué de presse, 26/04/99 http://www.unctad.org/TEMPLATES/webflyer.asp?docid=3100&intItemID=2021&lang=2 cited 01 04 2006

¹³Jagdish Bhagwati and Mathias Hirsch, The Uruguay Round and Beyond (Essays in Honor of Arthur Dunkel), The University of Michigan Press, 2002, p. 19

the first matters and of energy. The UNCTAD exercised its activities in a lot of the domains, but it had not satisfying results. (Fontanel 1998, p.27)

As the results are examined: Reforms raw material steps are not been advanced. The system generalized of the preferences leaves the donor countries with the choice of the products, the duration and the front one. The complexity of the agreements, their partial character prevents to have a common view of the impact of this procedure and the advantages are divided between the exporting countries and the multinational firms.

The UNCTAD did not play a major role in the problem of the debt. The objective of the assistance of 1 per cent of the GNP was a failure. The UNCTAD had not the strength to change the necessary social revolutions.

After its relative failure concerning programs it integrated of the basic products and the system of the preferences generalized, the UNCTAD saw that his role in the definition of the new international economical order will restrict itself. But nevertheless the UNCTAD exercised actions in many fields of the international exchanges. The results of the cycle of the Tokyo have a lot to the UNCTAD. We took into account the interests of the developing countries, the recognized possibilities of dispensation to the clause of the nation more favored; the discussions on the basic products are the ideas of UNCTAD than she defends since 1964. (Seyidoğlu 2003) The UNCTAD exercises his influence in numerous domains of the commerce and development, but its means are much reduced.

1.5. The Position of the Developing Countries until the End Years 1970: Towards an Evolution?

It was attended that between the dates 1955-1979 several improvements and privileges were in favor of the developing countries. At first the 80's, it is considered that the developing countries had attained their objectives while establishing the rules of the international commerce that were sensitive to their needs. They had sufficient flexibility according to the rules existing GATT assuring the protection on the burgeoning industry.

They do not have to liberalize their trade on a reciprocal basis in the context of the multilateral trade negotiations. They had the preferential access to the steps developed under the system preferably generalized. (Dinler 2000, p.518)

But are there unfavorable facts produced with developing countries?

There were problems in the international rules governing the commerce of the developing countries. The access conditions to the markets of the developed nations, that it was foreseen with the preferably generalized systems did not be the same negotiated conditions in the preceding cycles of the GATT. There were problems concerning the access to the market. Beforehand, considerable reductions in the tariffs on importations of the manufactured goods towards the developed nations were done for the developing countries. But a number of the products, such as textile or goods having a big interest for the developing countries, were excluded in the preferential treatment completely where they harshly were limited.¹⁴

This was a period that started with "the agreement in the one short run" concerning the international commerce of the cotton textiles in 1961, followed in 1962 by the agreement to long term concerning the international commerce of the cotton textiles. This last one, that lasted 12 years, was replaced in 1974 by the Multifibre Arrangement (MFA), which spread the restrictive system to the chemical fibers and to the wool. ¹⁵

At the same time, a serious revision of the political commercial one appropriate for the development had taken place in a lot of the developing countries. From the years 70, they had begun questioning seriously the effectiveness of the industry protection burgeoning, realized with the check of the commerce and the restrictions of foreign mottos as vehicle for industrialization and the development to long term. ¹⁶

Many emergent industries are ineffective residences and that they were not able to realize the competitiveness of exportation. The experience obtained in the years 60 and 70 showed that the countries that had followed the political commercial one opened, that is those which largely have balanced the incentives which support the

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¹⁴OMC, Symposium de haut niveau sur le commerce et le développement, op.cit. p.18

importation of the competitive products with incentives in favor of the export of the manufactured goods, were those which had approved a huge growth. ¹⁷

Moreover, the countries which had continued the substitution of importation with barriers with trade had slow growths or declines. While in the years 80, the causality between the commerce and the growth does not leave any doubt that such systems favor the accomplishment of their development objectives. From 1973 to 1979, the growth in the economies of the developing countries, except Africa remains strong. But, the foreign debt increases quickly. The developing countries and importers of energy felt the oil crisis of 1973 hardly. (Armaoglu 2000,p.728) In the Eighties, the developing countries modified their marketing policies and started to play a part more active than before in the world trade.

1.5.1 The concept of the globalization

The period after the years 1970 is considered as the last entitled step "new globalization" that means a globalization with a quick acceleration. The free circulation of the financial capital, the integration of the markets of capitals coming from the decrease of the terms of profits of the capital, the creation of a world-wide market by the reduction of the barriers of the national markets, the growth of the number and importance of the transnational businesses and the simplification of the international commerce of the goods and services realized themselves.

The globalization opens again markets through the world and includes factors as the development of means of inexpensive transnational and accessible transportations; set it up of communication networks of electronic, the income gaps between the industrialized countries and the developing countries and the liberalization of the exchanges.

The globalization therefore relates back to very old practices and multiples and possesses certain essential characteristic that can be summarized as the interdependence, the deletion of the national borders, the sovereignty conflict national and the increase of the number of actors on the global scene (the

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¹⁷ İbid.

multinational global firms, the proliferation of the international organizations and the promotion activated liberalism within the institutions as World Trade Organization (WTO), United Nations (UN), International Monetary Fund (IMF). With the first glance, globalization continues like technological developments and an economic reality. But, the governmental actions contribute notably to the development of this process and bring him a political characteristic. ¹⁹

This is enough complicated to succeed in defining precisely of what it is a matter. The definitions of the globalization concept abound. But, the more general definition is this than the globalization is the internationalization process of the economical, financial, political or cultural exchanges that generates a placement in relation of the different ones composing territorial of the world, and that expresses itself by an integration and an increased interdependences of the national economies. The globalization can be therefore defined all simply as a growth world-wide interconnection in practically all the domains as economical, cultural, technological, more lawful, more political and more social.²⁰

Which is the place of the developing countries in the process of globalization? The crucial question about the globalization is: what the globalization increases- it them inequalities in the incomes between the developed countries and the developing countries?

During the last years, the part of the 20 per cent poorest persons in world-wide income fell of 2.3 per cent to 1.4 per cent. At the same time, the part of the 20 per cent the richest ones passed of 70 per cent to 85 per cent. Disparity north south accrues itself: the GNP by inhabitant is 20 superior times in the countries of the North that in the countries of the South. The income gap by inhabitant between the industrialized countries and the countries in the process of development thus trebled. Of another manner, inequalities dug themselves between the countries. Although the process of the globalization created, mostly people, wealth and eliminated poverty, it

¹⁹ Commission mondiale sur la dimension sociale de la mondialisation, *Une mondialisation juste : créer des opportunités pour tous*, Bureau International du Travail, Suisse, Avril 2004, p. 36. ²⁰Anthony McGrew, "Globalization and Territorial Democracy: An Introduction", dans Anthony McGrew (éd.), *op.cit.* pp. 7–8.

¹⁸Anthony McGrew, "Globalization and Territorial Democracy: An Introduction", dans Anthony McGrew (éd.), *TheTtransformation of Democracy?*, Cambridge, Polity Press&The Open University, 2000, pp. 9-12

did not again reduce, in certain cases, the gap between rich and poor and economical disparities widening themselves to the long one. These disparities grow also in the life level and of security according to the regions of the world.

Nevertheless, the globalization is not again universal. The globalization releases a series of big changes to which ones person does not escape. With these changes, she induces at once timeliness and risks. These changes are more multiple, more asymmetrical and more often more difficult to identify. On the contrary she is not homogenous, for all the human activities do not globalize themselves to the same rhythm.

Certain such as finances it and the businesses, already are globalized, while of others such as social equity, the fight against the terrorism, the institutional collaboration and the action of the governments remain, on the contrary, again confined in geographic well defined borders. The social break between the rich ones and the poor ones, the ditch between the exclude (those that have a well paid work) and the include increase. The globalization period that we live today characterizes itself by the emergence of an economical new model that is composed from knowledge and the innovation especially. In an information economy, the markets lose their local or national characters, they are, indeed, world-wide. The usage of the information technologies and of communication allows widening the intervention field of the economical international agents, to save time and to reduce the distances. Thanks to the internet spaces it is economical today world-wide east.

Since, new technologies, the production of the new systems and the organization of the international commerce eliminate traditional farming of these countries, the foreign investment plays an important role also in countries in the process of development and these countries have difficulties to attract the foreign investments. The technological innovation the more profitable usage source of the first matters and since the globalization of the commercial international agreements limits spaces it economical of these countries, they have difficulties to implement a political commercial one strategic that favors the exportations while protecting the local businesses against a foreign excessive competition on the local market. They do not know the internet and the World Wide Web that is two essential spaces of the globalization. The countries in the process of development must develop in a

strategic way, comparative new advantages in this new economy, on the basis of their own history and material conditions that they know.

1.5.2. Regionalism

In the 21st century, within the process of globalization, we attended the increase in the activities of the regionalization. In this process, with the intensification of the international competition, the importance of the regional integration between the countries increased.

The countries try to increase their competitive power while taking places in these regionalist systems. Regionalism is not newly done. It has more political, more economical and more social reasons. These days, the widened competition increases the importance of the regional economical integrations.

We can say that one of the characteristics of the international economical relations of two last decades brought up it in power of the economical regionalism. Institutional frameworks or and commercial privileged agreements going until, while the economical unions going through zones of free exchange and customs unions were put some places in the most of the big regions: Economical and Monetary Union in Europe, the NAFTA (North American Free Trade Agreement) in North America, the association market in Latin America, The Caribbean Community and Common Market (CARICOM) - just for not some to quote someone- the world-wide political economy is divided in regions. Therefore, the world in where we live is a regionalized world.

In comparison with the 1950s, the regional integration and the regionalism are very fashionable subjects. These two last decades, especially since the end of the years 1980, the renaissance and the change of the regionalism, often designated under the name of "new regionalism" represent an important tendency in the contemporary international relations of the multiplication of the regional agreements and to the growth of the areas of application of these agreements- as will see us- the new regionalism is the combination of several elements.

It is a matter of a new grouping period regional. It is clear that in the context of the globalization, the evaluation of the process of the regional integration is indissociable of the process of globalization. Nevertheless, there is a debate on the links between two processes. "On one hand, some consider this broadcasting of the regional agreements as a method of the globalization process and according to them, it does not go in opposition to the globalization, it is rather one of the vectors, because it allows the more better to take advantage populations of the beneficial effects of the globalization and to the better practices to broadcast itself in the common interest".

It appears as a means to harmonize the norms, a guarantee against the risk of the marginalization. On the other hand, on the contrary, some perceive the reinforcement of the regional links as an alternate to globalization.

According to them, the regionalization constitutes a reaction to the unifying and homogenizing tendency that accompanies the dynamics of the globalization. ²¹

Nevertheless, it is clear that the integration process with the world-wide economy is totally different of the process of globalization. Globalization does not cover again the entirety of the global economy. Most of the developing countries had excludes from a system that understands a high increase in the international commerce and the flows of the capital. In other words, the process of globalization is in the monopoly of the developed nations. The exterior commerce and the direct investments foreigners is increased and oriented towards the developed nations thanks to globalization.

1.6. The GATT in the Years 80

During the 80s, the world-wide inflation was accompanied by a series of reversals that would carry out the financial conditions of the growth. The technical innovation, the opening of the national economies and the broadcasting systems during these years carried out the conditions of the developing countries also. The '80s open with

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²¹ "Analyse comparative des processus d'intégration économique régionale", *France Diplomatie*, 4614/synthese-1_11544.html

a serious economical recession: the second oil shock and the turnaround of the American monetary policy to the fall 1979, illustrated, once more, the weight determining decisions of the United States on the world-wide economy.

The second oil, consecutive shock to the Iranian revolution, corresponded to an increase of the price in dollar of the barrel of oil. The real price of the oil attains in 1981 and 1982 sounds maximum, more than six superior times at the level of 1970. Its effects were reinforced by the increase of the course of the dollar. The States-Unite began to the '80's with a restrictive monetary policy. Impacts were felt immediately on the economical activity. The increase of the credit would penalize the in debt businesses and would brake the productive investments. For the developing countries, the exterior trade attains in 1981 to 124 billion dollar, while in 1970 the debt combined of these countries was 66 billions.

The years 70 were for the developing countries, a debt decade easy: the offer of private credits was abundant and the growth rhythm of the exportation takings (in dollar running) surpassed the rates nominal interest. But with the increase of the oil price will be followed by, for the developing countries, by an absolute decrease of their takings of exportations (1980–1983). The world-wide recession would break the growth of their exportations and especially provokes a fall of the course in dollars of basic products. In two years (1979-1981), the principal Latin-American debtors doubled their debts. This is the reason; all would go to endanger the solvency of the countries debtors. The third world one remained depending with regard to the world-wide financial market. In of other terms, the world-wide disinflation, from 1984 would not allow borrowing from if voucher counts.

From 1984, the net transfer of resources towards the developing countries become negative, this that puts directly in danger balances it countries borrower. The persistence of the hollow negative transfer has permanent gap between saves and internal investment and to the detriment of the capital formation productive in the developing countries.

In 1981, in Poland and in 1982 to Mexico, the crisis of the debt has burst: the two countries declared themselves that they were incapable of face their engagements.

During the years 70, the progression of the income by head stretches to become quicker in the developing countries than in the economies advance. But after 1980, in Latin America, in Average East and in Africa begins a veritable rupture in the economic growth. This rupture corresponds doubtless to the crisis of the debt. The problem of the debt dominated the decade. The applied politics under the IMF impression aim first to re-establish the exterior harmony and to assure the service of the debt while compressing the interior request and they orient themselves the developing countries to adjustment programs structural destine to modify the conditions of the growth, by the dismantling of the public sector and opening to the external competition.

For the countries in the process of development, the weakening of the system of the generalized preferences and the origin of politics of the liberalization of the markets, a revision of the system was emergent. In 1986, several questions are put: The unbalance of the international trade can maintain itself to long term. They were in a position where there were tensions within the developing countries, but also between the developed countries. The applications in the multilateral agreements were multiplied on the contrary requirement of the clause of the nation more favored: in 1985, more than 50 per cent international trade realized itself outside of this clause. Despite the ban in the agreements of the GATT to practice measures of the protection non-tariff, they widely used and same preferred to the customs tariff. This phenomenon is known under the name of "new protectionism". The protection nontariff on the agricultural products is very important and among the products manufactured is concerned: the textile, the cars and the steel industry. Nonuniversality regional of the GATT on the products of agricultural one, of service, of textile for example is a form of protectionism less and less accepted by the United States.

At last, in 1986, to the light of these questions, in developing countries, in Uruguay, they organized a Round one that will finish with the collapse of the WTO in 1995.

1.6.1. Uruguay Round

The cycle of the negotiations began in 1986 between the 105 countries. One of the themes in the cycle of the negotiations was to try much better to insert the developing countries to the international exchanges facilitating some for them notably the access to the markets of the developed nations and in revising the limitation agreements of their exportations textiles.

1.6.2. The Interest of the Developing Countries in the Uruguay Round

For the first time, the developing countries actively participated to the negotiations. The other countries disposed them to grant advantages in the domain of the intellectual property in compensation of an opening of the markets of the textile and farming of the developed countries. Now, this is in this sensitive domain of the farming that the negotiations knew serious difficulties. This wasn't the developing countries that some constituted the clause. They found his origin instead in the divergence of the interests of the United States on one hand and CEE to his face France as European big producer on the other hand. The negotiations on the services were at the origin refused by 10 developing countries, notably by India and the Brazil to the activities of very statutory and weakly competitive services. The question was knowledge if it was necessary to propose a progressive liberalization merchant by the countries (suggestion of the developing countries) or if the principle was the liberalization.

2. THE MINISTERIAL CONFERENCES WITHIN THE WTO

The ministerial conference is the decision- making body of the WTO, which has to meet at least every two years and can take decisions on all matters under any of the multilateral trade agreemnts.²²

2.1 The Results of the Uruguay Round: Creation of the WTO

The report of the Uruguay round that defined the creation of the WTO could be treated in several levels. Despite this multidimensionality of this cycle, this study consists in to treat only the case of the developing countries. Which are the obtained results for the developing countries?

With the final act of the Uruguay round, the multilateral system of the commerce considerably were reinforced and deepened for a bigger integration of the countries in the process of development in the system. This was realized by the extension of the commercial rules to cover the services, the intellectual property and for establishment of a mechanism of the reinforced control. There were two aspects with a big importance of these agreements for the countries in the process of development:

First, they reinforced the mechanism of the conflict that offers a system of the lawful protection to the countries in the process of development, against the more developed countries and a better luck to reign the bilateral conflicts that are outside of the rules of the WTO.

In second place, several agreements of the Uruguay cycle carried significant measures for improvement of the access to the markets of the developed nations. For example, the GATT allowed the countries to apply certain non-tariff measures such as of the importation quotas and to grant subsidies. The commerce of the agricultural products was distorted. The agreement of the Uruguay round marked a noticeable progress towards the instauration of the order in this sector, and created a more equitable market for the farmers. Besides, with safeguard agreements, one eliminated the voluntary constraints of exportation that were significant barriers in the sectors

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²² Available from http://www.wto.org/english/thewto-e/minist-e/minist-e.htm cited 10.06.2006

such as shoes and products in leather for example. The special and differentiated disposals preferably generalized systems concerning the access to the market was maintained, thus disposals concerning the subsidies to the exportation and the support of the agriculture.

To the heart of the system are located the agreements of the WTO that contain special disposals in favor of the developing countries. The countries in the process of development play a more and more important role within the organization because of their number and of leaves for them growing in the world-wide economy. The agreements of the WTO take different manners into account interests of these countries. With of the committees of the commerce and development that are endowed with a vast mandate. For these committees defined four priority domains:

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- Examination of the implement disposals in favor of the countries in the process of development
- Guiding lines for the technical cooperation
- Participation of the countries in the process of development to the commercial system -the position of the less developed countries. The technical cooperation is a domain activity of the WTO that has for only objective to help the developing countries to participate in a manner fruitful to the multilateral trade system. It is a matter to help them to develop their capacity to endow it with the necessary institutions and to form officials. In the agreements of the WTO there are disposals concerning the special and differential treatment for the countries in the process of development. In all the agreements contain 72 different benefits for the developing countries. The agreements of the Uruguay round are endowed by disposals on the special and differentiated treatment. The developed countries were in agreement on three kinds of actions to bear the developing countries:
- To realize a preferential access to them walked: The developed nations furnished the tariffs preferences to the exportations manufactured of the countries in the process of development under the preferably generalized systems for a special treatment for the developing countries.

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²³Comprendre l'OMC, op.cit. p.95

- But with limitations.

-To Furnish the technical assistance and of typical others of the assistance to allow for them to benefit from the advantages that divert from international trade and to integrate them in the system of the multilateral market: The principal objective of a such helps is the reinforcement of the capacity of these countries to allow for them to envision the engagements of the agreements of the WTO. The principal domains include TRIPS (Trade Related Intellectual Property), (Technical Barriers to Trade), Sanitary and Phytosanitary Measures, the inspection of pre-expedition, regulation of the conflicts etc. A variety of technical assistance activities and programs are furnished by international organizations in particular The IMF, UNCTAD and the World Bank. Put in application of the agreements that are for the several developing countries: The agreements of the WTO contain a lot of the disposals that hold counts the interests of the countries in the process of development. Some are generally nature and some are more explicit to express the ways of which they must follow to be treated more favorably.

2.1.1 The Engagements and the Special Measures in Developing Countries

More general and the most basic way which the developing countries continue to be exempted discipline of the WTO the identification of the principle of the non-reciprocity in the commercial negotiations with the developed nation to reduce the customs barriers. Conform at this disposal; most of the developing countries did not secure tariffs on their industrial products. A second way in the which one the developing countries have a big flexibility to protect their industry domesticates, is foreseen in the item XVIII of the GATT that gives them liberty: -To be able to grant the protection of the demanded tariff for establishment of a special industry, -to apply quantitative restrictions for the balance of the payments In the agreements, flexibility is accepted about for 43 of the 97 disposals for the special and differentiated treatment of the developing countries. Thus flexibility is applied as the instrument more shed of the differentiated treatment. The flexibility in transaction

times is foreseen practically in all the agreements of the WTO, accepts the agreement on the anti-dumping procedures and on the inspection of the meadow expedition

-to be able to grant the protection of the demanded tariff for establishment of a special industry,

-to apply quantitative restrictions for the balance of the payments in the agreements, flexibility is accepted about for 43 of the 97 disposals for the special and differentiated treatment of the developing countries.²⁴ Thus flexibility is applied as the instrument more shed of the differentiated treatment. The flexibility in transaction times is foreseen practically in all the agreements of the WTO, accepts the agreement on the anti-dumping procedures and on the inspection of the meadow expedition.

They gave to the developing countries the extension of the additional hour, to reinforce the establishment of the ways that let them put in application the agreements of the WTO. In the cases of the subsidies, the additional time would allow the developing countries to put in application the alternate means of the support. But the delays for the extensions have already passed and there are few countries that put in application their necessary engagements. The problem can be provoked, can be, by the absence of the technical coordinated assistance and although of others help technical. But there are equally disposals in the agreements of the farming for that the developing countries continue to subsidize the exportations for a period that is forbidden for the other members. For example, the agreement on subsidies and measures of compensation takes account of a transition period of 8 years, while the agreement on the intellectual property holds a period of 5 years, for these countries.

A more favorable treatment also is foreseen for the subsidies giving place to an action: for example, certain secured subsidies, to the privatization programs of the countries in the process of development do not give place to an action on the multilateral plan, and the presumption of the existence of a harm engraves for the defined subsidies does not apply to the developing countries." ²⁵ "For the members of

²⁵ibid. et voir aussi www. fao.org

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²⁴ OMC, Symposium de Haut niveau sur le commerce et le développement, op.cit. p.21

whom the economy is in the process of transformation one foresees a delay of seven years to eliminate progressively the subsidies." ²⁶

"The developing countries benefit from a special treatment and differentiated concerning the measures of safeguard applied by the other members and the application of their clean measures. A measure of safeguard will not be applied to importations of weak volume in countries origin in the process of development. When they apply measures of safeguard, the countries in the process of development, can extend the application period of a for two years additional safeguard in comparison with this that normally is authorized." ²⁷ Since 1995, "the commerce of the products textiles and clothing is squarely mutation under the effect of the transition program on ten enunciated years in the agreement of the WTO on the textiles and the clothing (ATV)." ²⁸ There is a liberalization program of the restrictions in force that consist in to raise the bilateral quotas inherited Multifibres Arrangement (MFA). ²⁹ These bilateral quotas inherited of AMF, constitute the departure point of the process of liberalization. We foresee a safeguard transitional special mechanism aiming to protect the members against a sudden growth of the importations. ³⁰

The member nations can use these measures of safeguards on a basis selective in a mutual form or unilateral. In the cases of the agreements on the textiles and the clothing, flexibility takes the form of a progressive elimination of the quotas for the developing countries.

The ministerial declaration on the commerce of the products of information and of technology was adapted to the ministerial lecture of Singapore in 1996. ³¹ In this declaration the countries in the process of development asked spacing out on a longer period (beyond the year 2000) for certain registered products on lists for them. They obtained the agreement of the others participating, but this period does not spread

²⁸http://www.wto.org/french/tratop f/texti f/texintro f.htm 18.05.2006

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²⁶ texte juridique de l'OMC voir URL: http://www.wto.org/french/docs f/legal f/ursum f.htm

²⁷Les negociations commerciales multilaterales sur l'agriculture, Manuel de Reference II, L'accord dur lâgriculture, Organisations de Nations Unies pour l'alimentation et l'agriculture, Rome, 2001

²⁹ ibid.

³⁰OMC, Rapport annuel 2002 p. 72

³¹ L'Accord sur les technologies de l'information et sa mise en œuvre, voir www.wto.org

itself in any case beyond 2005. ³² The agreements on the application of the sanitary measures or phytosanitaires were accepted protecting the life of the persons and animals of the risks resulting from additives contaminating toxins or present pathogenic organisms in the food products. The agreement SPS differed the application of all the prescriptions that have not trait to the transparency up to 1997 for the countries in the process of development and up to 2000 for the less advanced countries. The FAO and of other international organizations will apply programs in favor of the developing countries in these domains. Concerning technical assistance, the goal is to support the countries in the process of development in their commercial activities, to help the countries profit to understand and to implement the suited regarding commerce international rules, to assure their participation more completes to the commercial multilateral system and to reinforce durably structures for them while orienting all the instruments towards the development of the human resources and the reinforcement of the institutional capacity.³³

The cooperation activities technical are overseen by the committee of the commerce and development that in charge of examining and of evaluation the position of the developing countries. The activities are largely organized according to the request and to the profit of the developing countries and countries in transition. Activity every type has a nature and a different length and is determined to the case by cases. The principal techniques are: the seminaries, the workshops, the technical missions, the meetings of information, the lawful assistance and the technical cooperation under electronic form.

2.1.2. Preoccupations of the Developing Countries against the Implement Agreements of the WTO

The member nations in development raised a series of questions that correspond to their various interests and priorities. These questions can be heard on the following domains:

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³²Garantir la securité sanitaire et la qualité des aliments, Directives pour le renforcement des systemes nationaux de controle alimentaire, Publication conjointe FAO/ OMS, Rome, 2003 annexe 5.

³³Comprendre l'OMC, op.cit. p.109

- i) Commercial Possibilities and the products that present an interest for the developing countries;
- ii) Disposals of the members of the WTO that have the goal to preserve the interests of the developing countries;
- iii) Transition periods
- iv) Technical assistance in favor of the developing countries.

2.1.2.1. Growth of the Commercial Possibilities

The persistence of the impede to the access to the markets in the domains that present an interest for the exportations of the developing countries causes a big discontent. The developing countries quoted the harmful effects of the progressiveness of the rights and the sum of the costs, for the agricultural products and even for the industrial products. In particular farming, the rights of high and other customs measures non-tariffs that are practiced in the developed nations are considered as of the impede important to the access to the markets.³⁴ What's more, the subsidies to the exportation for important agricultural products in these countries and internal support to the agricultural production is considered as reducing the obtain agreement on the farming in the domain of the access to the markets. Besides, the developing countries importers net of food products have due difficulties to the fall of the food assistance noticed during the last years.³⁵ As for the agreement on the textiles and the clothing, the developing countries declared that it had not induced significant liberalization to the commercial plan. As the reasons of this case, we can quote that the countries, which put back the integration process for the end of the period and quotas, eliminated that represented an insignificant party of the importations subject to restriction. They worries also harmful effects for the exportations of textiles and of clothing of the developing countries as the heaviness of the administrative and customs procedures, the brought modifications to the origin rules and frequent recourse to measures of safeguard.³⁶

³⁴ OMC, document de travail op.cit. p.27

³⁵ ibid.

³⁶Ibid.

As for the services, the developing countries underline accesses difficulties to the markets as the movement of the physical persons.

2.1.2.2. Recognition and Preservation of the Interests

Most of the Agreements of the WTO contain, disposals relating to the preservation of the interests of the developing countries. To the eyes of these countries, the disposals in question had few effects. Although it exists the disposals of the agreement SPS in this domain, they asserted that the Members did not hold counts special needs of the developing countries in elaboration and the application of the sanitary measures of the technical regulations, norms and evaluation procedures of the cohesion. They worried about the absence of initiatives for their active participations to the normalization organizations in these domains. If one talks about the item 15, the agreement antidumping, the tendency of certain Members to resort to more and more to these measures ran counter to this than one awaited. According to this item, it is necessary to explore the possibilities of constructive solutions before applying measures antidumping in opposition to the developing countries.³⁷

What's more, it is necessary to know than the reinforcement of the rules in the framework of the WTO was able to avoid the effects "paralyzing" measures antidumping, that are able facilitate the access to the markets for the products of which the exportation presents an interest for the developing countries. This is evident that the cost of the defense against these measures was excessive. Most of the developing countries facts henceforth left the countries that have frequently recourse to the measures antidumping. The other problems are notably the following ones:

- The absence of mechanisms specific to give effect at the disposal of the item IV of the GATS. These items relating to the liberalization of the access to the walked in the sectors and to the supply methods that interest the developing countries from the standpoint exportations.³⁸
- The necessity to implement in a manner completes the item 66: 2 of the agreement on the TRIPs. This item encourages the technology transfer towards the countries

³⁷ibid.

³⁸Accord General sur le commerce et le service, voir <u>www.wto.org/french/docs_f/legal_f/26-gats_01_f.htm</u>

the less advanced. About this agreement, certain developing countries Members asked to recognize the value of the native knowledge and create disposals in order to preserve this knowledge.

2.1.2.3 Transition Periods

The transition periods are claimed to facilitate the implement Agreements of the WTO by the developing countries. They did not always give enough times to care for the lacks of capacities of the certain Members or their precise needs regarding development. Among the special domains are considered that they would cause to extend these periods, it are a matter of the subsidies to the exportation for the industrial products, the integration mechanisms and commercial and the TRIPs.

2.1.2.4. Technical Assistance

Several Members stressed that the developing countries had a vital and permanent need of assistance for the reinforcement of their technical capacities. In those cases, they have the goal to be able to rehabilitate itself contracted obligations to the WTO. They have also another important goal to do to correspond more this assistance with the technical needs or specific lawful various developing countries. For this goal, it is counseled not only to increase the technical assistance, but also to coordinate more efficiently the technical assistance of all origin. The domains the most often quoted are the evaluation in customs, the measures SPS, the GATS and the TRIPs.³⁹ Several developing countries, note that the technical assistance currently was furnished thanks to allocation funds special. They insisted for a sensitive increase of the credits devoted to this domain in the primary budget of the WTO. Various countries that less are advanced, equally considered that it was necessary to accelerate the effective application of the programs. They recommend implementing the integration of the technical assistance linked to the commerce more than the countries the less advanced. Despite the effectiveness of the regulation mechanism of the disagreements of the WTO and his improvement in comparison with the previous system and to its uncertainties, several developing countries observed the costs of this mechanism student. The reason of this result is necessitated it lawful

³⁹ OMC, document de travail, op.cit. p.28

specialized counsels, technical available assistance to the title of the item 27: 2 of the Memorandum agreed on the regulation of the disagreements.⁴⁰

2.1.3. Criticisms on WTO Related With the Developing Countries

The participation of the developing countries to the meetings of the WTO between 1948 1986 was very limited among these dates; it was able to assure important decreases for all the sectors, except the sector of service. However in the sectors of textile and farming for which the developing countries have proportional advantages, it is always far from discussion. The developing countries have even today the raised customs tariffs and quotas for the protection of their internal market of these sectors. In this period it, the developed nations had applied antidumping laws for the importations of the merchandises of the developing countries. During the cycle discussions of Uruguay, the developing countries were able to represent themselves in these meetings and influence the results of these meetings, thus one could assure to diminish the protections in the textile and farming and one made difficult anti-damping application. The last advantages were assured by compensatory multiples of developing countries quotation has matters the right of obvious one and of sector finance)⁴¹

Despite the decisions, one notes again customs prevention of quotation of the developed nations has sector matters that have an intensity of the hand of work. For multiples merchandises in the textile sector, the United States, E.U. and Japan continue to apply a customs tariff above 50 per cent. The tariff proportion for sugar, milk, meat and the rice change between 90 per cent and 444per cent. Politics of the governments of the developed countries but the works of the lobbies of the groups of the workers and farming of the developed nations. Since 2001, the delegates of the developed nations insist on the discussion of the subject multiples in the meetings of the WTO. (As right of the workers, the environmental problems, the competition

⁴⁰ ibid

⁴¹Nesecan Balkan, « Seattle ve Washington kim neden isyan ediyor? » İktisat Dergisi,temmuz 2000,sayı:403

⁴² ibid.

and the investments). The standardization of the multiples domains assures for the developed nations of the means of prevention that well tallied by the criteria standardization. Somewhere else, the developing countries particularly India, Malaysia, the Pakistan, Egypt wanted to concentrate, the goals of the meetings on the antidumping problems and of sector liberalization of farming and of textile.

2.2. Which Is The Role of The Ministerial Conferences Of The WTO After The Conclusion Of The Marrakesh Agreements?

The ministerial conference is the superior organ of the WTO that meets at least once each two years to be followed by the negotiations to redefine certain agreements that already concluded. ⁴³

2.2.1. The Ministerial Conference of Singapore

The ministerial conference of Singapore of 1996 that was qualified conference "of transition" had the advantage to produce a plurality agreement. The non-signatories not therefore obliged to apply its disposals. In this conference, "the ministers are engaged to face the problem of the marginalization of the less developed countries, without forgetting the marginalization risk of certain developing countries. Itself effective of the less developed countries, they adopted an action plan, including disposals allowing taking positive measures, for example the admission in frankness, on an autonomous basis, aiming to improve the global capacity of these countries to take advantage of the possibilities offered by the commercial system. They are suited to organize a meeting with the UNCTAD and the Center of the international trade in 1997, with the participation of the assistance organisms, financial multilateral institutions and countries the less developed, to favor an integrated approach of the means to help these countries to increase their possibilities of commercial exchanges."

Regarding technology information, there are two or three years, India exported for some millions of dollars. Today, its exportations rise to five billion dollars and in

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⁴³ http://www.wto.org/french/thewto f/minist f/minist f.htm 23.04.2000

five years to vicinity fifty billion dollars. Or, do you know this that allows such a performance? The agreements concluded to Singapore, on the liberalization of the trade in this sector. India has therefore a considerable advantage in this domain. Its difficulty in the short run is linked to the application of the previous agreements of Uruguay. If we can remedy, it will have all the reasons to want to forge ahead.

2.2.2. The Failure of the Conference of Seattle?

Three thousand deluges of 135 member nations and observers of 30 countries met in Seattle for the third ministerial lecture of the WTO of November 30 to December 3 1999 with the mission to agree on multilateral negotiations on the external commerce of which lasted is previews at least three years. On the other hand, the lecture finished by a failure because of the demonstrations against the globalization and they concluded an agreement on the launch of a new round of trade liberalization negotiations says of the "millennium". The wasn't taking a decision of "for" or "against" the globalization, but the countries in the process of development and the non-governmental Organizations (NGO) in the defense of the "equitable trade" protested the attitude of the organization while saying that they feels exclude from the commercial system "globalized".

According to the WTO, the events were not completely to express WTO. Like Mike Moore (general manager of WTO at that time) said that, "It was a vast flea market of all that does not go in the world, beyond the commercial questions." (Available from http://www.wto.org/french/thewto_f/minist_f/minist_f.htm cited 23.04.2000) It was a failure without succeeding in achieving its goal.

Which were thus the reasons of this failure? Several reasons to explain can be counted; Although the developing countries constitute three quarters of the members of WTO, a marginalisation as of the these countries in the negotiations can be noticed. However, they do not want to continue to accept what this decides in the informal meetings of the world organization by the developed countries.

The conference of Seattle affirmed us the requirements of the developing countries plays an important part in the multilateral negotiations. They wish that their interests

and their needs be taken into account in the negotiations. The failure of Seattle showed us uncertainties on the future of the commercial system.

Do the countries learn the lessons from this failure?

The conference of Seattle showed us an enormous dispute of NGO through WTO. Because of that, WTO aimed at improving its relations with NGOs, the civil company and its members. For example; the choice of a city belonging to one of the developing countries: Doha. In Seattle, the preparation was not sufficient. WTO learned the lesson from these demonstrations and prepared two informal miniministerial before the conference of Doha which supports a confidence for the developing countries which started to feel to be excluded from the commercial system. The members of WTO arrived thanks to these preparatory meetings, therefore the preparation of the fourth ministerial conference in a developing country, during this preparation, taken into account the ideas of these countries support approachement and the support of the developing countries. There was another factor which influenced the success of the conference of Doha. That was the attack of September 11. After this event, so that it regains confidence in the commercial system and shows an alliance against terrorism, the conference of Doha would have a success. On the other hand, the price of such a failure would have been very heavy for the commercial world. The developing countries wish that their problems linked to the access to the medicines, to the reinforcement of the capacities, to the technical assistance, to the special treatment and differentiated are examined during the negotiations.

2.2.3. The Rounds of Doha

Two years after, the Member States have reunited for a new round. There are factors apart from this cohesion like the improvement in the relations between the United States and Europe, between civil society and WTO, the preparation is made well than the other conferences. So that marginalization of the developing countries constitutes one of the reasons of the failure of Seattle, the members of WTO took into account

their problems. It seems well that they learn the lessons from Seattle, and even, they baptized the new cycle of negotiations: "Programs of Doha for the development".

For examining the results of the conference of Doha for the developing countries, it is necessary to better treat the situation before this conference with the eyes of the developing countries. Much developing country was opposed to the launching of other round for the industrial tariff reduction before Doha. Instead of that, they claimed a process of study, holding account of the impacts of liberalization on the domestic companies, income of employment and government, and peaks tariff and tariff climbing in the developed countries.

They specified that much developing country had already liberalized their imports of the industrial products because of the structural adjustment, and this had carried out to the serious problems, such as the share of market and the closing of the losers of local industries to the bottom, involving the unemployment and the loss of income of government.

Which are the stakes of the conference of Doha? There are several stakes treated in the conference of Doha. Some stakes will be tried to take orderly:

2.2.3.1. Agriculture

While agriculture was covered in theory by the agreement 1947 GATT, it excluded in practice until the agreement of Uruguay Round. Agreement on agriculture is considered as a one of the most iniquitous agreements in WTO, indeed by providing the treatment special and differentiated to the countries developed rather than the developing countries. Actually, the developing countries accepted the agreements of cycle of Uruguay, because they believed that they would draw benefit from agricultural liberalization and reduction from subsidy from the countries from OECD under agreement on Agriculture. But these promises were not achieved, however, of the agricultural subsidies of country of OECD and dumping (the sale of the products below the true production cost) were legitimated rather than illegalized, and increased rather than decreased, from Uruguay Round.

The agricultural subsidies of the EC and the United States and dumping had a devastator effect on the agricultural sectors of the countries development. The

subsidies carry out to the overproduction which is emptied on the world market, decreasing by the world prices; and these subsidized imports enter the markets of the developing countries with lower tariffs because of the agreement on agriculture and the World Bank and the IMF.

It was testified that the farmers in the developing countries cannot compete with; therefore, the local agricultural productions were destroyed, because of the imports of cheap food subsidized in their substitute.

Finally one can say that, whereas a small minority of larger farmers in the globalized world, could have drawn benefit from the agreement on agriculture, the difficult situation of the majority of small farmers resource the poor did not improve.

2.2.3.2. General Agreement on the Trade in Services (GATS)

It is only during the Eighties that it was decided to widen the negotiations with the sector of the services, in spite of reserves of the developing countries and new industrialized countries which considered that the liberalization of the exchanges in this field would not make that to increase the competitive advantage had the developed countries, without true counterparts for them.

In its preamble, among its essential principles, the agreement comprises U helps to bring it to the developing countries in order to increase their share in the world trade of the services.

Actually, its inclusion even in WTO was an enormous concession with the developed countries whose the countries in the process of development withdrew little or not advantages, because of enormously unequal competitiveness of the suppliers of service of the North and the countries of South.

The developing countries are under the enormous pressure of liberalization in much of sectors, where they cannot compete with. This could destroy the local industrial sector existing and the objectives of development.

To the beginning, all the negotiations on the sectors were opposed by the developing countries because; they think that there will be a domination of the multinational Americans firms and the loss of their economic independence in the banking environments and of the insurance.

At the time of the examination of Uruguay Round, they testify that the negotiations were unblocked after the adoption of unquestionable principles in the conference of Montreal in 1988.

The fields of application of the revealed GATS in are four modes of supply according to; the telephone services transfrontaliers ,consumption abroad (tourism.), and the commercial presence. (Creation of a banking subsidiary company on the abroad.)

The developing countries made upon substantial engagements under the GATS with the respect with much of industrial sector, often in a permanent way being made to adopt policies of legislation and future without to have had much experiment in their execution. They received concessions of any significant economic value in the center of principal interest to them.

When concessions were made, they were compensated by the barriers not transparency, such as the economic tests of the needs, which limit new beginners in a market while referring to the existing local capacity, and the not specified rules of immigration. Consequently, the majority of the developing countries have a deficit in the exchanges of the services, unless in tourism and the voyage and the handing-over of the workmen.⁴⁴

Many people in the developed countries and under development are extremely apprehensive about the prospect for the additional negotiations of GATS. The developing countries in particular already had detailed experiences of liberalization because of the World Bank, the IMF and the regional conditionality of bank of development, often with negative consequences.

Before Doha, much of delegated developing country were eager to see various treated exits before the negotiations of access of the market started, the nonless evaluation of the effects of the exchanges of the services, requested by the GATS itself before a new round of the negotiations could start.

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⁴⁴Fatoumata Jawara et Aileen Kwa, op.cit. p.33

The delegates of developing country on several occasions raised the importance of such an evaluation in talks of GATS in Geneva during several years, and continuous before and after efforts of Doha. Its efforts were blocked by the developed countries. Since put pursuant to the agreement of GATS, much of developing country were forced to liberalize exchanges of the services within the framework of the structural programs of adaptation of the World Bank and the IMF; and they wanted that this autonomous liberalization is usable like piece of negotiation in the negotiations. This situation A leaves the developing countries dependent on the bilateral negotiations.

2.2.3.3. Trade-Related Aspects of Intellectual Property Rights(TRIPS) and the Public Health

The agreement on prohibited TRIPS to use, manufacture or sell products without authorization of their inventors. That could make only after the expiry of the 20 years period for the patents. The rigorous sanctions on the national level in the cases of the violations were recommended by this agreement.

The accord envisages exceptions as in the example of the granting of licenses obligatory "contrary to the voluntary licenses" used by a company third or the same government him. There are several problems in the application of this agreement between the developing countries and the countries developed.

In the conference of Doha, WTO tried to clarify the flexibility of the agreement on TRIPS. It decided that the TRIPS can and should be interpreted and put in opening to protect the public health. One can read these decisions.

In the application of the usual rules of interpretation of the public international law, each provision of the agreement on the TRIPS will be read in the light of the object and of the goal of the agreement such as they are expressed, in particular, in its objectives and principles. Every member has the right to determine what constitutes a situation urgently national or other circumstances of extreme urgency, given that that the crises in the field of the public health, including those which are related on the

VIH/SIDA, tuberculosis, paludism and other epidemics, can represent a situation urgently national or other circumstances of extreme urgency.⁴⁵

The conference of Doha finished without closing too many doors although it covers several subjects on the development and the trade. But it had to be shown that the world was plain against the threat of terrorism. Besides that, the cycle was named "Doha Round development" thus for the first time, the countries under development had their word to say.

The assessment of the program of Doha can be summarized like agriculture for Brazil, industry for China, services for India. This situation shows us also the difficulty of a total strategy of common negotiation of the developing countries. In fact, the agricultural subsidies of the developed countries are regarded as their principal common interest; however they distinguish as regards customs duties agricultural and face divergences between the developing countries which are importers Nets; India, China and exporters; South Africa, Brazil. The second is the disappearance of the textile quotas into 2005 which is very important for the future of exports in the sector of the textile and clothing. Since at the moment when the decision was accepted, the majority of the developing countries thought that it will be an advantage for their economy.

In the industrial sector, one sees that a distinction between the protectionist countries stres like Brazil, Egypt, India, Mexico, Pakistan, Thailand and the countries which are relatively more open like South Africa, Chile, China, the countries of central America. The two facts generated this conflict. The premy is the accession of China to WTO in 2001 and its impacts on the multilateral commercial system. However, they did not take into account accession of China with WTO. The disappearance of the quotas was a hope for them, but it became a nightmare. One recently testified the ractions to the developing countries within WTO which try to mobilize all the members of fear of the loss their markets. They do all their efforts to slow down China with the anti-dumping mechanisms.

One is face to face with a conflict on the stakes of liberalization between South-South. Like one indicated, this conflict is revealed by the anti-dumping practices: the

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⁴⁵ www.wto.org Declaration de Doha relative à l'accord sur les ADPIC et la santé publique

majority of measurements are they taken today by the developing countries counters imports coming from other developing countries. Let us not forget that this cycle bears the name of Doha development round. However, the development misses completely of these negotiations.

2.2.4. The Ministerial Conference of Cancun: Failure or Success?

With the end of the cold war and the decolonization, an increase in the adhesion of the developing countries with WTO was noticed, that takes along the geographical extension of the commercial system of WTO. In 1947, eleven of the contracting parts were the developing countries. After 56 years, in Cancun where the fourth ministerial conference of WTO took place of the 10–14 September, 2003, two thirds of the 144 Member States were developing countries. Each Member States of WTO came to Cancun to negotiate an agreement. However, the conflicts of interests were in the middle of the trade negotiations. It seems well that the preliminary work is advanced, on the other hand advanced, except the question about the articulation between substantive patent law and the access to the drugs, the conference did not have any concrete advance.

Can we say "Cancun was a failure or a success for the developing countries"? To answer this question, let us to treat situation of the developing countries in the time of Cancun. After the conference of Doha, despite all the promises and the title "the cycle of the development", there was a big dissatisfaction and a mistrust of the developing countries towards the WTO and multilateral trade negotiations. The countries started have to speak with high voice to underline their requirements and to determine their positions on the sensitive files like the access to the drugs or agricultural liberalization. Previously, the group of the 77 in UNCTAD spoke in the name of the developing countries in the trade negotiations within WTO. In Cancun, two new blocks established instead of old ones for the developing countries. "G20"(, launched by Brazil, joining together a majority of emergent countries, of which China, India, and South Africa. "G 90" gathered the ACP world (Africa the

Caribbean the Pacific) and the less advanced countries, therefore we can say that a new force relation emerged.

Moreover, the famous subjects of Singapore constitute one of the causes of the failure. The failure of Cancun on the opening of negotiations relating to the subjects of Singapore reflects us a crucial question: "until or does one want to go in the multilateral regulation of the international reports/ratios? This interrogation on the limits of WTO was included in the negotiations of the cycle of Doha. After the ministerial conference of Cancun, the double vision of the role of WTO (liberalization and regulation) was confirmed "The failure in Cancun was lived with bitterness and pride by the negotiators representing the various groups of the developing countries. Bitterness; because the search for an agreement is a unanimous objective, pride; by satisfaction to resist the pressure of the various groups of country develop, at the price of the status quo."

2.2.5. The Ministerial Conference of Hong Kong

The sixth ministerial conference of WTO had been taking place in Hong Kong from the 13 to December 18, 2005. The program of work was very charged. After did the failure of the conference of Cancun, some advances within the framework to the program of Doha for the developments were noticed, but they are sufficient for the developing countries?

Obviously, there were the winners and also the losers. Where is the place of the developing countries in this situation?

The conference led to an agreement; on the other hand it remained many things to be made on agriculture, the access to the markets for the non agricultural products and also the services.

What did the developing countries want and finally obtain from this conference? We can present them on the stakes of the conference of Hong Kong.

2.2.5.1. Agriculture

In the field of agriculture, the right to protect the products which is located of an importance was not that a promise with the developing countries within the framework of WTO since the final act of Marrakech (1994) and there was not a transformation of this promise into concrete decisions. The major decision of the conference of Hong Kong on this question was: the elimination of the export subsidies and equivalent assistances in 2013, therefore it was a large advance like determination of a deadline for elimination of the export subsidies in spite of the gaps in the agreement. For example there was not an elimination of the internal subsidies which support the dumping which involve a destruction of the hundreds of a thousand of the farms and a breaking of the million vie. (For the developed countries)

That shows us that the developing countries will constitute the principal losers of the commercial system. There is already a gap on significant the enough access for the developing countries to the steps in the developed countries.

Moreover in the subject of competition to export, certain disciplines were concluded. The appropriations, the guarantees and the insurances of export credit will have to be auto financed and set up for a short duration.

The text introduces "the parallel elimination of all the forms of export subsidies and of the disciplines concerning all the forms of export has the same effect of export.

There is also; what was advanced on the cotton subject who played a very important part in the conference?

2.2.5.2. Cotton

In 2004, the text expected that "to treat cotton in an ambitious, fast and specific way within the framework of negotiations on agriculture; however one did not reach has a concrete result, because the text does not conclude the problem of the internal subsidies on the production of cotton which facilitate the dumping for the developed countries. Like François Traoré, president of the association of the African cotton producers underlined "Unfortunately, at this time, the essential question: that of the internal supports is not the subject of any specific proposal, in addition deplored the producers.

Lastly, the developed countries grant an access of frankness from rights and without quotas with cotton exports in source of the less advanced countries by respecting the cycle of DOHA, but no profit is made in the cotton subject for the developing countries which they do not have to be able to compete with American exports subsidized.

2.2.5.3. Access to the steps with the nonagricultural products

The opening of the nonagricultural markets to the product was an important subject being connecting of all the members of WTO around an application of a formula to reduce customs duties which affects all the products.

It is a "Swiss" formula which envisages more important falls on the highest rates of right. Actually, the developing countries will be influenced negatively of this formula.

2.2.5.4. Services

In the field of services, one testified a retreat "the flexibilities contained in the AGCS are not more that dead letters and the services of first requires for them like water, energy will be more accessible only have those which will be able to treat to them"

2.2.5.5. The Less Advanced Countries

The text envisage: "duty-free and without quotas for the products originating in the LDC for the free access to the markets of the rich countries, but the developed countries are likely to keep their right to limit to 97% of the products coming from the less advanced countries and there was not any expiry fixed about its application. The reserve of 3% represents 330 tariff lines approximately, which, in certain countries, is likely to deprive all the products of an access to the markets; the restrictions would be certainly several on products like the textiles originating in Bangladesh or Kampuchea.

As regards rights of intellectual property, there was not any negotiation. After Cancun, nothing changed. In 2006, the prices of the drugs remain too high, therefore because of that, those which are sick and the also poor cannot look after.

2.2.5.6. Evaluation of the conference

It can be counted several consequences of the ministerial conference of Hong Kong. On the side of the developing countries, they did not obtain as many the profits as the developed countries. According to consequences, the developing countries will continue to suffer the cost of the unfavorable decisions of the developed countries.

When it is looked at behind situation put in scene by WTO, actually, the profits of the developing countries remains about on the level of the zero. In spite of the concession obtained, they don't take anything. An advantage of suspension of the deadline was given about the elimination due to agricultural export. Moreover, one innovation which we observed was the explicit support of G20 assured for G90 to defend the interests of the developing countries. What was very interesting: the ironic progress in the provisions have milked with the less advanced countries? In the Agreement establishing WTO a provision in 1994 contains:

The less advanced countries recognized as such by the United Nations will be held to contract engagements and to make concessions only in measurement compatible with the needs for the development, of finances and of the trade of each one of them or with their administrative and institutional capacities"

After eleven years, despite all the efforts of the governments of the developing countries and also of NGOs, with the promises of the developed countries and their satellites, even the cycle baptized "the development", the result reached in the text adopted with Hong Kong was very interesting.

"It is reaffirmed that the least advanced countries will be held to contract engagements and to make concessions only in measurement compatible with the needs for the development, finances and trade of each one of them or with their administrative and institutional capacities"

Will the multilateral commercial system be weakened after this failure?

It is such a difficult question to answer. It is true that to dimension multilateral agreements, the countries aim reaching bilateral agreements and regional. There is a great multiplication these last years in these agreements. (In 2004, 33 new agreements were notified) Indeed, the bilateral agreements and regional are supplementing the multilateral commercial system.

Besides that, so that another commercial cycle within WTO is effective, it is necessary that WTO makes efforts and takes important responsibilities.

CONCLUSION

When the fundamental principle of GATT was signed, there were 23 members which 11 of them were developing countries. Today, WTO comprises 150 members of which two-thirds are developing countries including the less advanced countries or the countries of transition. In spite of the number of the developing countries have a majority place; they aren't dominant over the trade negotiations.

They have reunited to adhere to WTO by applying the rules engaged by the organization. They were supported during their participation by the guide of the principle of the special and differentiated treatment. There are the other types of assistances used like the technical aid and of the period transitional additional for the installation for engagements from WTO.

Within the framework of this situation, why do the developing countries, especially the less developed countries have problems and continue to have the imperfections similar in beginning of the round of Uruguay?

In spite of a cycle baptized the cycle of the development, we didn't see a concrete advance in the trade negotiations with the centre of WTO in favor of the developing countries. The ministerial conferences after the conference of Doha did not reach the previewed objectives.

With concerning of the security of their accesses to the markets of their trade partners, the developing countries, members of WTO will be able to draw advantage from the new rules and disciplines agreed upon in the round of Uruguay. The engagements entered in the lists concerning the goods and the services also help to stabilize the trade reforms which affect their credibility in the eyes of the foreign and national investors. Certain products whose export present a very large interest for the developing countries, in particular the textiles, the agricultural one, cotton, clothing and the products fishery remain fixed to rights very raised after the cycle of Uruguay. Same after the conference of Hong Kong, the Member States did not reach with a good solution for these questions.

Although the attempts of the developing countries to reunite to account their problems by the developed countries were testified, they did not manage to carry out the objective. In the last conferences, we saw certain unifications like G20, G90 to defend their interests. In spite of rather various interests, they have common characteristics.

For example, a given priority to the setting in the opening of the existing agreements on the negotiation of new engagements is one of common characteristics. They have very strong claims by comprising the textile, the framing of the anti-dumping procedures but also agriculture, on a better opening of the markets of the developed countries. In the same time, there is mistrust with the considered initiatives in favor of the less advanced countries, suspected to aim at slowing down the process of general liberalization. Moreover, during the round, a concern, even hostility with the consideration of the "new subjects", perceived like attacks with sovereignty and the tentative ones of the countries developed to impose their model on the poor countries.

In a share, there is a reluctance marked enough for the subject of the transparency and any officialization of the role of NGO in WTO. In addition, there is a large mistrust with respect to the sectoral negotiations whose agenda appears maitrized by the developed countries, from where a certain preference for a total negotiation allowing to balance the respective interests.

We live in a world where new technologies improve our life and reduce the distances and help to create day in day an inter-connected world. On the other hand this international system increases the difference between the rich and the poor countries. The postulate of WTO is to have a trade by having more growth by all, but the world of today shows us the opposite: These are the forts profit from the free exchange and the world trade. This situation leads us to seek the solutions.

The setting in the opening of the reforms with WTO consists to reflect the question of the stable exterior trade. On behalf of WTO, the organization must ensure that all the Member States in question to take part in the process to make decisions and let support or to obey what is engaged by the organization. The technical aid must be reinforced in favor of the developing countries. The special and differentiated treatment requires also a renewal.

WTO must make coordination with the other international organizations like the IMF, the World Bank and the other organizations concerning the same context and objective, so that the developing countries are integrated in the international system. Moreover, it is necessary to seek a better access to the market while fighting against the non-tariff obstacles to the exchanges and laying down balanced rules for their public markets. It is obligatory also to consider all the aspects of the international economy, commercial and financial, but also social and environmental. It is necessary to reinforce the institutional capacity of the developing countries. The prolongation of the duration also must be re-examined. In exact term, the transitional periods for the less developed countries, must be reorganized.

As for the developing countries and in particular the LDCS, they must be organized in order to be integrated in the multilateral commercial system. If they want to be integrated more effectively in the international trade system and, thus in the world economy, they must in particular seize the occasions rising from the rules, concessions and engagements of their trade partners and implement their commercial obligations, which is also a means of increasing the stability and the transparency of their mode of foreign trade, and to work out and applying a policy of development lying within the scope of these obligations.

They must make a considerable effort to obtain the institutions necessary and to improve the formation and specialization of their human resources. It doesn't act to modify the bases of WTO radically, but tries to improve the methods of the organization, that will give the advisability of developing a international system of the more human and more equitable trade for all.

Finally, it should be mentioned that the world should not await a new round of negotiations to find the solutions with imbalances between the countries in the world trade

« Vladimir: we can always be left, if you believe that is better.

Estragon: now, it is not any more the sorrow

Vladimir: it is true, it is not any more the sorrow

Estragon: well, shall we go?

Vladimir : yes, let's go!

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