CHAPTER 2
THE GLOBAL TRADE REGIME

'Human development requires fair governance—a framework of institutions, rules and established practices that ensure fair processes and outcomes secured through participation of people and accountability of the powerful'.

—*Adapted from* Human Development Report 2002

The United Nations Development Programme's *Human Development Report 2002* views good democratic governance as integral to human development. In assessing whether governance is good or bad, the report highlights critical processes, including:

- How and by whom mandates, agendas and forums for discussions and decision-making are chosen and agreed. These activities determine what gets done—and what remains undone.
- Who establishes, elaborates and enforces rules.
- The transparency of the process.
- The effectiveness of representation.
- The participation of the weakest members.
- The fairness and consistency of dispute settlement and enforcement processes.

CAN THERE BE FAIR OUTCOMES WITHOUT FAIR PROCESSES?

These process-related concerns are highly relevant to the emerging international trade regime. Why? Because in the complex web of global governance, the trade system exemplifies some historical and structural inequities that continue to confound the global economic system. Process concerns took on greater urgency after the failure of the 1999 World Trade Organization (WTO) ministerial conference in Seattle, Washington (US). Through the 'single undertaking' that resulted from the Uruguay Round of trade negotiations (box 2.1), developing countries had assumed obligations similar to those of industrial countries and so demanded that equal importance be given to their proposals. But discussions broke down partly because many developing country representatives felt excluded from informal negotiating

BOX 2.1 A BRIEF HISTORY OF THE GLOBAL TRADE REGIME

The General Agreement on Tariffs and Trade (GATT) involved seven rounds of negotiations before the Uruguay Round: Geneva (1947), Annecy (1948), Torquay (1950), Geneva (1956), Dhillon (1960–61), Kennedy (1964–67) and Tokyo (1973–79). The first six rounds focused on reducing tariffs. And in the first five, tariff negotiations were based on reciprocal tariff concessions, negotiated bilaterally between 'principal' and 'substantial' suppliers and extended to all contracting parties.

In contrast, the Kennedy and Tokyo rounds took a linear approach to tariff cuts. While a few major developing countries had participated in negotiations up to the Kennedy Round, few developing countries were contracting parties to the GATT. Indeed, many did not achieve independence from colonial regimes until the 1960s. In 1964, when the United Nations Conference on Trade and Development (UNCTAD) was created to reform the GATT, efforts were made to make the system more acceptable to developing countries, including by incorporating a clause on trade and development.

The Tokyo Round, launched in 1973, was not confined to GATT contracting parties. The round established more stringent codes for non-tariff measures, but they were binding only on countries that accepted them. In addition, the round resulted in the decision on differential and more favourable treatment, reciprocity and fuller participation of developing countries—known as the 'enabling clause'. For example, industrial countries did not expect reciprocity from developing countries for commitments made to them, and developing countries were not expected to make contributions inconsistent with their development, financial and trade needs. The clause also legitimized the Generalized System of Preferences and the application of differential and favourable treatment to developing countries, including special attention to the least developed countries.

Multilateral trade negotiations changed substantially with the start of the Uruguay Round in 1986. Industrial countries sought to extend the GATT system to cover additional areas of international economic relations, and on their initative it was urged to place negotiations on goods on one track and negotiations on services on another. The agreement was that developing countries would negotiate on the new issues of services, Trade-Related Aspects of Intellectual Property Rights (TRIPS) and Trade-Related Investment Measures (TRIMs). In return, they would get better market access for exports of goods.

By the end of the Uruguay Round the two tracks had merged. While the negotiating mandate on functioning of the GATT system (FOGS) did not envisage the creation of what would ultimately become the WTO, it became apparent that the GATT system could not accommodate a radical enhancement and extension of multilateral trade mechanisms. As a result the European Communities and Canada submitted proposals for a new multilateral trade agreement to be administered by a new multilateral trade organization. The idea was that the Uruguay Round agreements on goods, services and intellectual property would be treated as a single undertaking, all under the aegis of the new World Trade Organization (WTO) and all subject to its dispute settlement system—thus enabling cross-sectoral retaliation as part of the WTO enforcement mechanism.

Industrial countries suggested that the WTO should replace the GATT while incorporating its fundamental provisions. Developing countries were given the choice of continuing as contracting parties to the defunct GATT or joining the WTO. By taking the second course, they became full stakeholders in the WTO.

The collapse of the 1999 WTO Ministerial Conference in Seattle, Washington (US), caused more attention to be paid to the concerns of developing countries at the 2001

conference in Doha, Qatar. The conference produced three major documents: a ministerial declaration, a decision on implementation issues and concerns and a declaration on TRIPS and public health:

- The ministerial declaration put forward an ambitious agenda for post-Doha work, including new negotiations on market access for non-agriculture products, negotiations on aspects of trade and the environment, negotiations to clarify certain rules (on anti-dumping, subsidies and countervailing measures) and negotiations on dispute settlement.
- Also to be negotiated are the implementation issues and concerns that developing countries had put forward earlier, only a few of which have been resolved.
- The declaration on TRIPS and public health reaffirmed countries' right to prioritize public health concerns—an important milestone.
- Post-Doha work is also to include more focused discussions on the four 'Singapore' issues (investment, competition policy, transparency in government procurement and trade facilitation). But negotiations on these issues will occur only if 'explicit consensus' is obtained at the 2003 ministerial conference.

The Doha conference ended with an expanded negotiating agenda, to be concluded by January 2005, placing a tremendous negotiating and administrative burden on developing countries. But the conference also marked their emergence as effective negotiators, clearly articulating their development needs.

Source: TWN, 2001.

processes. As participation and content issues became intertwined, participation sometimes became the most important issue—overshadowing the content of the negotiations.

In an effort to avoid the problems experienced in Seattle, some parts of the negotiating process were handled better before and at the 2001 WTO Ministerial Conference in Doha, Qatar. There were fewer 'green rooms', and more parts of the conference were open to all delegations.[1] But serious and legitimate concerns remained. First was the draft agreement transmitted from Geneva (Switzerland) to Doha, which did not reflect the many areas of disagreement among WTO members. Second was the process for selecting 'friends of the chair' (leaders of different working groups chosen by the chair of the Doha conference). Third was the extension of the conference by a day without the formal consensus of all members. And fourth was the use of a green room for much of the crucial last day.

When it comes to human development, the links between processes and outcomes cannot be severed. Fairness, representativeness, transparency and participation have intrinsic value in international trade negotiations. They also have implications for the mandates, agendas and substance of negotiations—and so for human development. Whether and how trade negotiations deal with intellectual property rights, market access or the links between trade and environmental standards affect the health, education, economic growth and socio-cultural destinies of hundreds of millions of people and the communities and countries they live in.

BOX 2.2 UNDERLYING FEATURES OF GATT 1947 AND WTO 1995

Under the General Agreement on Tariffs and Trade (GATT), the multilateral trade regime was characterized by the following features:

- *Reciprocity.* The operating feature of the regime was reciprocity and mutual advantage: countries agreed to liberalize trade in return for similar commitments from other members of the regime. This arrangement meant that concessions granted by one country were matched by concessions received—giving member nations an incentive to increase their commitments.
- *Non-discrimination.* Members of the regime were not to discriminate between trading partners—all members were given unconditional most-favoured-nation (MFN) status—or between domestic and foreign goods, services or nationals once imported into their territories ('national treatment').
- *Objective of freer, more predictable trade.* The GATT recognized price-based measures—that is, tariffs—as the only legitimate tool for regulating trade. It sought to reduce and eliminate non-tariff barriers and encouraged contracting parties to bind their tariffs to make trade more predictable. The agreement also encouraged members to reduce tariffs through successive rounds of trade negotiations, with the expectation that trade volumes would increase under binding commitments.
- *Special provisions for developing countries.* The regime provided flexibility for developing countries by permitting them much greater flexibility in their trade policies. The Tokyo Round's 'enabling clause' gave industrial countries the option of providing preferences and other favourable conditions to imports from developing countries.

With the creation of the World Trade Organization (WTO) in 1995, the regime evolved into a more complex and intrusive framework. In addition to the GATT features, the WTO involves:

- *The single undertaking.* Member nations agreed to negotiate and sign all WTO agreements as part of a package deal—a 'single undertaking'. This meant finalizing the content of the agreements based on mutual bargaining (reflecting relative bargaining strengths) and the concept of 'overall reciprocity' rather than on the value of each agreement. This approach was seen as benefiting developing countries by including in the final package of agreements areas that had previously been effectively excluded (such as agriculture and textiles). But it also meant that all member countries would be covered by the same disciplines—both the enhanced versions of the Tokyo Round codes and the new agreements, including those that extended multilateral disciplines into new areas such as services and intellectual property rights. The single undertaking principle was retained in the declaration issued from the 2001 WTO ministerial conference in Doha, Qatar.
- *Binding implications for domestic policies.* The scope of global trade agreements has extended into areas (such as services and intellectual property rights) that until the creation of the WTO were in the domestic domain, while at the same time enhancing existing disciplines to make them more intrusive. Together these new features—extension into new areas, more intrusiveness into domestic policy-making and the single undertaking—extend the WTO's influence over domestic policy-making in areas critical to the development process. The agreements under the regime commit members not just to trade liberalization but also to specific policy choices on services, investment and intellectual property rights. The nature of these choices directly

affects human development—linking the global trade regime under the WTO much more closely to human development outcomes than did the GATT.

- *Compliance mechanisms.* Today's trade regime has stronger compliance mechanisms than did the GATT. Non-compliance with agreements can be challenged under the WTO's integrated dispute settlement system, and no member can block such actions. Remedial action is mandated through compensatory trade action (retaliation) by trading partners affected by a member's failure to meet obligations. Retaliation can also cross agreements and sectors, in keeping with the single undertaking principle.

Source: UNDP, 2002.

Fair negotiating processes are more likely than unfair ones to generate workable, sustainable outcomes. Moreover, decision-making should be open to public scrutiny, and decisions should reflect the interests of all stakeholders—with special attention to the poorest people and least developed countries (Johnson, 2001). For the global trade regime, good governance at a minimum requires genuine multilateralism and active, equal participation by all members.

The World Trade Organization—a major shift in global trade rules

The WTO has been responsible for making and enforcing rules on global trade since 1995. Its predecessor, the General Agreement on Tariffs and Trade (GATT), mainly dealt with cross-border transactions involving goods. But during the Uruguay Round of trade negotiations, developing countries were presented with a 'take it or leave it' choice of becoming full members of the WTO (Ricupero, 1994; see also box 2.1). The Uruguay Round agreements that created the WTO committed its members to deep integration in a single undertaking through the inclusion of many areas traditionally considered outside the purview of bilateral, regional and multilateral trade rules. The single undertaking and the threat of sanctions through the WTO's global dispute settlement body give the organization a mandate different from all preceding intergovernmental forums (box 2.2).

The WTO's features and agenda extend beyond the GATT's in several ways. First, the single undertaking extends revised rules on non-tariff barriers to all countries. Second, some of these rules, such as those on subsidies and Trade-Related Investment Measures (TRIMs), are much more intrusive. And third, policies subject to multilateral trade rules now include areas traditionally in the domestic domain, such as trade in services and intellectual property (Woods and Narlikar, 2001). Although some of these new issues had been debated at the multilateral level before, this was the first time they were raised in the context of trade and linked specifically to trade agreements. It was also the first time that trade sanctions were seen as a way of enforcing property rights. Thus the international trade regime is starting to have a direct effect on national regulation and legisla-

tion, through rules and agreements that seek to harmonize different norms and standards of governance.

The World Trade Organization's formal governance structure

Formally, the WTO is the most democratic of all the international institutions with a global mandate. Its one-country, one-vote system of governance makes it far more democratic than the Bretton Woods institutions—the World Bank and International Monetary Fund (IMF). That it lacks the equivalent of the Security Council makes it, in a structural sense, even more democratic than the UN (Evans, 2000), though its membership is not as broad.[2] But with the recent accession of China, all major countries and groups are WTO members except the Russian Federation, many least developed countries and Saudi Arabia and other Middle Eastern petroleum exporters, which are in the process of accession.

The WTO's highest decision-making body is the ministerial conference, which generally meets every two years. Below that is the general council, based in Geneva, which meets about once a month. The general council also meets as the trade policy review body and the dispute settlement body. Below the general council and reporting to it are councils for trade in goods, services and intellectual property, committees on trade and development and trade and the environment, and working groups established to study investment, competition policy, trade facilitation, trade and technology transfer, transparency in government procurement and trade, debt and finance. In addition, a work programme to examine the issues relating to the trade of small economies was agreed on in Doha. All these entities are made up of official representatives from WTO member states.

Ministers at the Doha conference approved the creation of a trade negotiations committee to supervise the conduct of negotiations. This committee includes two negotiating groups—one on market access (for non-agricultural products) and one on rules. But the committee and its negotiating groups are not parallel mechanisms to existing WTO bodies, and most negotiations will continue to occur within those bodies. Moreover, the decision-making role of the trade negotiations committee remains unclear, because formal decisions will continue to be made by the general council. After considerable debate, the trade negotiations committee appointed the WTO's director-general as its chair in an ex officio capacity until January 2005, when the Doha round of negotiations is scheduled to conclude. But this has been explicitly agreed as a unique and temporary arrangement—not a precedent. As a member-driven organization, appointments to WTO bodies should be filled only by representatives of WTO members.

The ministerial conference and general council formally make decisions by consensus. If consensus fails, decisions are determined by a simple majority based on one member, one vote. Developing countries account for more than three-quarters of WTO members and in the mid-1990s had 76 per cent of its

votes—less than the 83 per cent they had in the UN General Assembly but much more than their 39 per cent in the World Bank's International Bank for Reconstruction and Development and International Development Association and 38 per cent in the International Monetary Fund (Woods, 1998, table 4). Yet there have been no cases of voting. So far, all decisions have been made by consensus. This is also true in the committees and specialized bodies that report to the general council.

The WTO is a membership-driven organization. It has no permanent executive board. Its members participate in its day-to-day activities through the general council. Its secretariat is small, and its management's autonomy and power are limited—especially relative to international financial institutions such as the World Bank and International Monetary Fund. But though most WTO members are developing countries, many have limited capacity to attend meetings of the general council and other meetings in Geneva. And even if present, many developing countries cannot participate effectively in ongoing WTO discussions.

The WTO's dispute settlement mechanism is one of its most noteworthy features. Many experts consider the mechanism a unique feature in international law—with a major impact on trade diplomacy (Jackson, 2000). The mechanism is made up of ad hoc panels of three to five trade specialists and a standing appellate body of seven expert trade lawyers, overseen by the dispute settlement body of all WTO members.

Special and differential treatment

Efforts have been made to redress international inequalities since the start of global trade negotiations. In 1979 the Tokyo Round of trade negotiations produced the enabling clause—allowing developing countries to benefit, in principle, from preferential market access and flexible trade mechanisms not enjoyed by industrial countries (see box 2.1). The clause legitimized the Generalized System of Preferences and provided more favourable treatment with respect to non-tariff barriers, preferential trade rules for developing countries and special treatment for the least developed countries. The enabling clause was voluntary and selective, not binding. In return, developing countries agreed to graduation—meaning that their commitments to the multilateral trade regime would increase with improvements in their economic status.

During the 1980s there was a move away from special and differential treatment for developing countries. (Moreover, as a condition of their loans the International Monetary Fund and World Bank required many developing countries to cut tariffs and non-tariff protection.) Opponents portrayed special and differential treatment as a crutch that hindered developing countries' ability to develop competitive industries. The prevailing ideology portrayed special and differential treatment as 'ideological baggage'. More significantly, developing

countries believed that any special or preferential trade treatment from industrial countries was nullified by discriminatory trade-related measures of even greater significance—including the agricultural regimes of industrial countries, the Multifibre Arrangement (MFA) and the creeping tendency towards managed trade under MFA-inspired 'grey area' measures (trade barriers which were in a legally murky area before the Uruguay Round) such as voluntary export restraints. And it was those measures, given developing countries' interest in export-oriented growth, that required them to shift their attention towards setting more multilateral discipline over industrial countries' actions, rather than seeking more freedom for their own.

The sixth meeting of the United Nations Conference on Trade and Development (UNCTAD VI), held in 1983 as part of preparations for what became the Uruguay Round, represented a watershed in this regard. At that meeting developing countries came out in active support of the unconditional most-favoured-nation (MFN) principle. As a result, at the start of the Uruguay Round developing countries had considerable hope that mutual reciprocity and full participation in the trade regime would be more effective than differential treatment.

The Uruguay Round agreements contained some measures on special and differential treatment, in the form of specific criteria and numerical thresholds (as well as vague provisions on access to technology). But they also resulted in the single undertaking, which eliminated most of the flexibility enjoyed by developing countries. There are 97 provisions for special and differential treatment in the WTO agreements; some are mandatory but others are not.[3] The WTO defines provisions as mandatory if they contain the word 'shall'. Non-mandatory provisions use 'should'.[4] Some of these provisions are related to conduct, providing developing countries with policy space. Others are related to outcomes, aiming to correct imbalances in procedures and results.

Policy space provisions allow developing countries to violate some WTO rules without fear of retaliation by industrial countries. There are two main types of policy space provisions: longer transition periods to adjust to new commitments (many of which have expired) and greater flexibility to deviate from commitments. Transition periods are more common: the Agreements on Agriculture, Textiles and Clothing, Sanitary and Phytosanitary Measures, Trade-Related Investment Measures (TRIMs), Customs Valuation, Import Licensing Procedures, Safeguards, Services (GATS) and Trade-Related Aspects of Intellectual Property Rights (TRIPS) provide for longer transition periods for developing countries before they fully commit to the agreements. In addition, most of these periods are subject to extensions, like the one provided to the least developed countries under the TRIPS agreement at the 2001 ministerial conference in Doha. (WTO commitments and the exceptions provided to developing and least developed countries are described in annexes 2.1 and 2.2.)

The second type of provisions help developing countries integrate with the global trading structure. These include active steps to increase market access for developing countries more than for others (such as preferential schemes and the Generalized System of Preferences), safeguard options to prevent injury and the provision of special preferences to the least developed countries.

With the growth of the WTO, non-reciprocal trade preferences such as those covered by the Generalized System of Preferences have declined in use and importance and are mostly confined to the least developed countries. Under WTO article 9, preferential trading schemes between industrial and developing countries require members to request an annual waiver from WTO rules, which requires the approval of three-quarters of WTO members. Agreements currently in force through such waivers are the US–Caribbean Basin Economic Recovery Act, the CARIBCAN agreement between Caribbean countries and Canada, the US-Andean Trade Preference Act and the Cotonou Agreement between African, Caribbean and Pacific countries (ACP) and the EU.

After several years' experience with implementation of Uruguay Round agreements, developing countries began to perceive that provisions for special and differential treatment did not adequately address their practical trade problems. Nor were the time limits for the application of the agreements realistic, undermining development policies. A large percentage of the almost 150 proposals submitted by developing countries in the process leading up to the 1999 WTO conference in Seattle focused on specific aspects of special and differential treatment.

After the Seattle conference, the firm position of developing countries on these proposals kept them alive during negotiations on agreement implementation. Moreover, the agenda emanating from the 2001 Doha conference resurrected and reaffirmed special and differential treatment as a legitimate, integral principle of WTO agreements. Ministers at the Doha conference agreed to review all special and differential treatment provisions to make them more precise, effective and operational. Thus all the pre-Seattle proposals are now the subject of negotiations.

The key principles and elements of the trade regime, its formal governance structure and enlarged mandate and its provisions on special and differential treatment are aimed at balancing the diverse needs and interests of its member nations. Still, the regime is primarily geared towards increasing trade. Its underlying features need to be analysed in greater detail and modified if it is to focus on human development as its ultimate goal.

ANNEX 2.1

Exceptions from World Trade Organization commitments for developing countries

Agreement	Exceptions
Agreement on Agriculture	Allows for different rates of tariff reductions and levels of domestic support and export subsidies. (At the same time, the design of the agreement negated this concession. Subsidies most relevant to developing countries were prohibited, while those relevant to industrial countries were allowed—reflecting an inherent imbalance in the agreement in complete contradiction to the special and differential treatment principle and promoting reverse special and differential treatment in favour of industrial countries.)
Agreement on Anti-dumping	Requires that where anti-dumping measures would affect developing country interests, there should first be an attempt to explore constructive remedies provided for by the agreement (article 15).
Agreement on Safeguards	Ensures that safeguard measures shall not be applied against a product from a developing country member if that product's share of imports does not exceed 3 per cent and if developing country members with less than 3 per cent shares do not account for more than 9 per cent of total imports of that product.
Agreement on Sanitary and Phytosanitary Measures	Allows for specific, time-bound exceptions to its obligations, taking into account the development, financial and trade needs of developing countries (article 10.3).
Agreement on Subsidies and Countervailing Measures	Exempts countries with per capita incomes of less than $1,000 from the prohibition on export subsidies. For other developing countries the export subsidy prohibition takes effect eight years after the entry into force of the agreement establishing the WTO (that is, in 2003). In addition, countervailing investigations of products from developing-country members are terminated if overall subsidies do not exceed 2 per cent (and from certain developing countries, 3 per cent) of the product's value or if the subsidized imports represent less than 4 per cent of total imports of that product (article 27.10b).
Agreement on Technical Barriers to Trade	Requires that members take into account the development, financial and trade needs of developing countries to ensure that technical regulations do not create obstacles to their exports (article 12.2 and 12.3).
Agreement on Textiles and Clothing	Requires members to take special account of developing country exports when applying the transitional safeguard provision and to accord more favourable treatment when setting economic criteria for imports from these countries. Also prohibits the use of the safeguard provision for developing country exports of cottage industry handlooms, traditional folk art textiles and products certified as such (article 6.6).

Agreement on Trade-Related Investment Measures (TRIMs)	Allows developing countries to temporarily deviate from the requirement to eliminate TRIMs inconsistent with national treatment or quantitative restrictions, if done to protect infant industries or for balance of payments safeguard measures (article 4).
Dispute Settlement Mechanism	Requires that the problems and interests of developing countries receive special attention (articles 4.10 and 21.2).
General Agreement on Trade in Services (GATS)	Provides flexibility in accordance with a country's level of development and instructs that negotiations should recognize the role of subsidies in development (articles 5.3a, 15.1 and 19.2).

ANNEX 2.2

Special provisions for the least developed countries in World Trade Organization agreements

Agreement	Provisions
WTO Agreement	Specifies that for the least developed countries to become original members, they are required only to 'undertake commitments and concessions that are consistent with their development, financial and trade needs, or their administrative and institutional capacity'. The WTO Committee on Trade and Development is to periodically review special provisions in favour of the least developed countries and offer appropriate recommendations (articles 4.7 and 11.2).
Agreement on Agriculture	Requires industrial countries to take actions stipulated by the Measures Concerning the Possible Negative Effects of the Reform Programme on Least Developed and Net Food Importing Developing Countries. The least developed countries are exempt from reduction commitments in agricultural market access, domestic support and export subsidies.
Agreement on Sanitary and Phytosanitary Measures	Provides an additional five-year transition period.
Agreement on Subsidies and Countervailing Measures	Recognizes that subsidies can play an important role in economic development. The WTO committee stands ready to review specific export subsidies to ensure that they conform with that country's development needs and to review measures against specific developing countries if needed (article 27). The least developed countries are exempt from the prohibition of local content subsidies for eight years.
Agreement on Technical Barriers to Trade	Stipulates that the least developed countries are to receive priority in receiving advice and technical assistance.
Agreement on Textiles and Clothing	Accords significantly more favourable treatment in the application of the transitional safeguard (article 6.6).

Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)	The least developed countries are exempt from provisions for protection until 2006 (extended to the end of 2015 at the Doha conference). Industrial countries are to provide incentives for technology transfers to the least developed countries to enable them to create sound and viable technology bases.
Agreement on Trade-Related Investment Measures (TRIMs)	Provides a seven-year transition period from 1995, the year the WTO came into existence.
General Agreement on Trade in Services (GATS)	The least developed countries shall be given special priority for increasing their participation, and particular account shall be taken of their difficulties in meeting commitments given their special development needs. Members shall give special consideration to opportunities for the least developed countries in telecommunications services.

NOTES

1. In WTO jargon a green room is a meeting among a limited number of countries to work out an agreement. This process has been especially common in the intense negotiations prior to and at ministerial conferences, including those in Seattle and Doha (TWN, 2001).

2. With Switzerland joining the UN, its membership increased to 190 countries. With the accession of China and the customs territory of Taiwan (province of China) to the WTO, its membership increased to 144 states.

3. The WTO classifies these provisions in six categories: to enhance trade opportunities, safeguard the interests of developing countries, allow flexibility of commitments, extend transition periods, provide technical assistance and provide special assistance to the least developed countries.

4. The WTO also clarifies that non-mandatory special and differential treatment provisions can be made mandatory through amendment or authoritative interpretation. Despite the fact that authoritative interpretation is possible only through ministerial conferences and the general council, the appellate body has ruled that in some cases the use of 'should' can imply a duty, making a provision mandatory (article 9:2, GATT Agreement, 1994).

REFERENCES

Evans, Peter. 2000. 'Economic Governance Institutions in a Global Political Economy: Implications for Developing Countries'. Paper presented at the High-level Round Table on Trade and Development: Directions for the Twenty-first Century, United Nations Conference on Trade and Development X, February 12, Bangkok.

Jackson, John J. 2000. 'The Role and Effectiveness of the WTO Dispute Settlement Mechanism'. In Susan M. Collins and Dani Rodrik, eds., *Brookings Trade Forum.* Washington, DC: Brookings Institution.

Johnson, Robert C. 2001. 'Linking Transparency to Accountability in Economic Governance: Are We Asking the Right Questions?' Paper prepared for the Carnegie Endowment for International Peace workshop on transparency, 10–11 May, Washington, DC.

Malhotra, Kamal. 2002. 'Doha: Is It Really a Development Round?' Trade and Environment Policy Paper. Carnegie Endowment for International Peace, Washington, DC.

Ricupero, Rubens. 1994. 'Los paises en dessarollo y la Ronda Uruguay: Desencuentros de un amor no correspondido'. In Patricio Leiva, ed., *La Ronda Uruguay y el desarrollo de América Latina*. Santiago de Chile: CLEPI.

TWN (Third World Network). 2001. 'The Multilateral Trading System: A Development Perspective'. Background paper for Trade and Sustainable Human Development Project. United Nations Development Programme, New York.

UNDP (United Nations Development Programme). 2002. *Human Development Report 2002: Deepening Democracy in a Fragmented World*. New York: Oxford University Press.

Woods, Ngaire. 1998. 'Governance in International Organisations: The Case for Reform in the Bretton Woods Institutions'. International Financial and Monetary Issues. United Nations Conference on Trade and Development, Geneva.

Woods, Ngaire, and Amrita Narlikar. 2001. 'Governance and the Limits of Accountability: The WTO, the IMF and the World Bank'. *International Social Science Journal* 53 (4): 569–83.