MAKING GLOBAL TRADE WORK FOR PEOPLE

United Nations Development Programme
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Within human history trade has been an indispensable engine for economic growth across the world. But while that growth has in many instances been translated into sustained poverty reduction, the connection is not automatic. Amidst the street riots of Seattle in 1999, the question of whether the international trading system as currently structured helps or hinders the progress of developing countries was called into question.

Almost immediately, the World Trade Organization (WTO) Ministerial Conference in Seattle became a kind of Rorschach test for how different constituencies view globalisation. Supporters of open markets and free trade claimed progress was held back by government inaction and civil society confusion. Opponents, pointing to the fact that 60 countries grew poorer over the last decade, declared that the combination of unfettered capitalism and rigged trade rules was leaving developing countries further behind. They criticized the double standards of some industrial countries that preach free trade but do not practice it.

And with big business, civil society, labour, and rich and poor governments alike all noisily blaming each other for the failure to agree on a new trade round, the general public was left confused about the details but—as was as clearly evidenced in a raft of opinion polls across both the developing and industrialized world—increasingly convinced that something was going wrong with the great globalisation experiment.

One unwelcome consequence has been a growing tendency by some policymakers, academics and civil society advocates to come out ‘against’ free trade and question its efficacy in helping achieve development goals. For the United Nations Development Programme (UNDP), as the UN’s global development network, that approach is misguided. Trade can, and must be, an engine of growth and indeed must have a broader purpose that is valuable in its own right—integration.

What is needed instead is a systematic effort to apply the lessons of history, which show, with few exceptions, that today’s rich countries once enjoyed many of the protections they now seek to deny developing countries, only dismantling the protections after they grew wealthier and more powerful. It is also important to ensure that the multilateral trade regime is better aligned with broader objectives of
human development: helping poor people everywhere gain the tools, opportunities and choices to build a better life for themselves, their families and their communities. Because that is the only way to reverse the disaffection with globalisation and build a loyal and enduring global constituency for continued trade expansion.

With this goal in mind and with the generous help of the Rockefeller Brothers Fund, Rockefeller Foundation and Ford Foundation, the UNDP launched the Trade and Sustainable Human Development Project in mid-2000 to flesh out what this might mean in practice. And while this book is a major product of this initiative, its preparation has in many ways been as important as the final result.

The Project had five phases. First was to commission papers by respected independent scholars and experts from academia and civil society. Second, to convene an advisory team of internationally respected experts to assess the background paper outlines and advise on overall project strategy. Third, to prepare the draft and final background papers. Fourth, to use the draft papers as inputs into a series of consultations with governments and civil society organizations in the Asia, Africa, Latin America and the Arab States regions in the lead-up to the WTO Ministerial Conference in Doha in November 2001, to obtain feedback and understand their concerns more fully. And last, to draw on these and other inputs to produce this book.

By engaging with a wide range of experts across government, academia and civil society, the Project has provided a platform for a wide range of views—ranging from issues of intellectual property to agricultural reform to capacity building to help developing countries participate more effectively in trade negotiations—on how to make the multilateral trade regime work more effectively for poor people and human development. As a result, it is important to stress that the recommendations in the book are not necessarily a reflection of UN or UNDP policy. While we believe that many of them will have direct relevance for our work and that of our partners, the main aim of this book has been to provide a substantive basis for refocusing discussion and debate on the broad issue of how trade can best contribute to human development.

Under the leadership of Mike Moore, the WTO successfully re-established dialogue between all parties, and a new ambitious ‘development round’ of trade talks was launched, partially expunging the memory of Seattle. Now, as the first head of the WTO from a developing country, Supachai Panitchpakdi, begins the difficult process of turning those aspirations into reality, our hope is that this book will provide policy-makers, practitioners, civil society groups and others engaged in trade issues with concrete ideas on moving forward. Unless we can give developing countries the means and voice to participate as full partners in a more inclusive global trade system, the world has little prospect of meeting its shared agenda of the Millennium Development Goals.

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Brainstorming meeting

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<td>ACP</td>
<td>African, Caribbean and Pacific</td>
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<tr>
<td>AMS</td>
<td>Aggregate Measure of Support</td>
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<td>APEC</td>
<td>Asia-Pacific Economic Cooperation</td>
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<td>ASCM</td>
<td>Agreement on Subsidies and Countervailing Measures</td>
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<td>ASEAN</td>
<td>Association of Southeast Asian Nations</td>
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<td>ATC</td>
<td>Agreement on Textiles and Clothing</td>
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<td>BSE</td>
<td>bovine spongiform encephalopathy</td>
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<td>CGE</td>
<td>computable general equilibrium</td>
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<td>COMESA</td>
<td>Common Market for Eastern and Southern Africa</td>
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<td>CTE</td>
<td>Committee on Trade and Environment (World Trade Organization)</td>
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<td>EU</td>
<td>European Union</td>
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<td>FAO</td>
<td>Food and Agriculture Organization (of the United Nations)</td>
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<td>FDI</td>
<td>foreign direct investment</td>
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<td>GATS</td>
<td>General Agreement on Trade in Services</td>
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<td>GATT</td>
<td>General Agreement on Tariffs and Trade</td>
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<tr>
<td>GDP</td>
<td>gross domestic product</td>
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<td>GNP</td>
<td>gross national product</td>
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<tr>
<td>GPA</td>
<td>Government Procurement Agreement</td>
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<td>GSP</td>
<td>Generalized System of Preferences</td>
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<td>HIPC</td>
<td>heavily indebted poor countries</td>
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<td>IMF</td>
<td>International Monetary Fund</td>
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<td>ISO</td>
<td>International Organization for Standardization</td>
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<td>ITO</td>
<td>International Trade Organization</td>
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<td>JITAP</td>
<td>Joint Integrated Technical Assistance Programme to Selected Least Developed and Other African Countries</td>
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<td>LDCs</td>
<td>least developed countries</td>
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<tr>
<td>LTA</td>
<td>Long-Term Arrangement</td>
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<tr>
<td>Mercosur</td>
<td>Mercado Comun del Sur (Common Market of the South)</td>
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<td>MFA</td>
<td>Multifibre Arrangement</td>
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<td>MFN</td>
<td>most-favoured nation</td>
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<td>MITI</td>
<td>Ministry of International Trade and Industry (of Japan)</td>
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<td>Abbreviation</td>
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<tr>
<td>MTBE</td>
<td>methyl tertiary butyl ether</td>
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<td>NAFTA</td>
<td>North American Free Trade Agreement</td>
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<td>NGO</td>
<td>non-governmental organization</td>
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<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<td>OPEC</td>
<td>Organization of Petroleum Exporting Countries</td>
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<tr>
<td>PPM</td>
<td>process and production method</td>
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<td>PRSP</td>
<td>Poverty Reduction Strategy Paper</td>
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<td>R&amp;D</td>
<td>research and development</td>
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<td>SPS</td>
<td>Sanitary and Phytosanitary Standards</td>
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<td>TBT</td>
<td>Technical Barriers to Trade</td>
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<td>Trade-Related Investment Measures</td>
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<td>UN</td>
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<td>United Nations Development Programme</td>
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<td>WCO</td>
<td>World Customs Organization</td>
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