



PART 2

AGREEMENTS AND ISSUES

The current focus on reducing global poverty has direct implications for discussions at the World Trade Organization (WTO). Indeed, the multilateral trade regime will be well governed if it is focused on the achievement of the Millennium Development Goals.

The multilateral trading system comprises several agreements in goods, services and intellectual property rights. Agreements on goods cover agriculture, sanitary and phytosanitary measures, textiles and clothing, technical barriers to trade and trade related investment measures (TRIMs). They also encompass rules on anti-dumping, subsidies and countervailing measures, safeguards, customs valuation, pre-shipment inspection and rules of origin. And there are plurilateral agreements on trade in civil aircraft, government procurement, the international dairy agreement and the international bovine meat agreement.¹

In addition to these agreements are a number of issues under discussion and negotiation. At the Fourth WTO Ministerial Conference at Doha in 2001, countries agreed to negotiate on environment and industrial tariff issues and to discuss further the four Singapore issues—investment, competition policy, transparency in government procurement and trade facilitation. These issues, first raised in the WTO at its Ministerial Conference in Singapore in 1996, are now under active discussion. A final decision on whether to include them in the negotiation agenda is expected at the September 2003 Ministerial Conference in Cancun, Mexico. A decision to include them in the WTO's negotiation agenda can be agreed only by explicit consensus of all members.

Many agreements—and the issues agreed either for negotiation or for discussion—affect human development variables directly through their implications for income, equity, employment, food security, public health, gender outcomes and access to technology.

Beyond such impact, each of the agreements and issues also affects both the domestic policy space and the market access opportunities for countries. They can either facilitate or constrain the policy flexibility and autonomy of members. Constraints can take the form of multilateral trade rules prohibiting or restricting the use of specific policy instruments that, if adopted and effectively implemented,

can contribute to human development. And trade rules and obligations can result in significant opportunity costs if they lead to forgone economic growth that might have been translated into human development gains.

A few examples illustrate these points.

DIRECT IMPLICATIONS AND IMPACTS

The Agreement on Agriculture directly affects rural livelihoods, food security and farmer incomes. The Agreement on Textiles and Clothing affects family incomes, especially the work burden and wage earnings of women. Commodities trade, while not currently subject to multilateral trade disciplines, is vital to the livelihoods of the poorest and most vulnerable population groups in many low-income developing countries. The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) affects knowledge creation, ownership of biological resources and access to public health. The TRIMs Agreement impacts the growth and development of local industry. The agreements on standards affect public health concerns. Many new issues still under discussion or those agreed for negotiation in Doha directly relate to technological and industrial capabilities and capacity, employment, the provision of public services and environmental issues.

POLICY SPACE

Along with their mandated tariff commitments, many WTO agreements—such as the TRIMs Agreement, the Agreement on Agriculture, and the Agreement on Subsidies and Countervailing Measures—restrict the ability of member governments to use subsidies as a tool to encourage and direct domestic production in certain sectors of the economy. Subsidies have been particularly important as policy instruments for countries at low levels of development.

TRIPS requires countries to conform to minimum standards of intellectual property rights, thereby limiting policy options that could encourage adaptation and transfer of technology. The General Agreement on Trade in Services (GATS), by contrast, provides greater policy space to governments by allowing them to selectively liberalize specific sectors. Proposed future issues—such as investment, competition policy and transparency in government procurement—all have implications for the domestic policy space of member countries. While the specific impact is likely to vary depending on what might be covered, agreements in these areas could constrain the policy space in critical domestic economic and social policy areas.

MARKET ACCESS

Increasing market access across borders is one of the primary aims of the WTO. The 1947 General Agreement on Tariffs and Trade (GATT) was an attempt to commit

all member nations to lower their barriers to trade and make them more transparent and easier to measure. Under the Agreement on Agriculture and the Agreement on Textiles and Clothing (from the Uruguay Round), countries agreed to commit themselves to greater and more effective market access in these areas. Despite some progress in implementation since the WTO's creation in 1995, significant trade barriers remain for exports of many products of importance to developing countries.

Other Agreements—such as TRIMs, GATS and the Agreement on Standards and Technical Barriers to Trade—also aim at substantially enhancing market access. The discussion on new issues also focuses on market access benefits for members.

Part 2 of this book focuses on agreements and issues that have the clearest or most significant direct or indirect implications for human development. It does not seek to be exhaustive in its coverage of the very broad range of trade agreements and issues in the ambit of the world trade regime. It does, however, seek to be comprehensive in its coverage. And in so doing, it discusses and analyses different ways in which specific WTO agreements and issues affect human development, going beyond economic growth and income to consider the implications for livelihoods, security, gender relations, health, education and technological capabilities and capacities.

NOTE

1. See http://www.wto.org/english/docs_e/legal_e/legal_e.htm.