





# Finding a Voice

**T**HE CURRENT ROUND of trade talks under the auspices of the World Trade Organization (WTO) aims at better integrating developing countries—especially the small and poor ones—into the global trading system. For that reason, it was named the Doha Development Agenda when it was launched in late 2001. But more than three years on, little progress has been made. It took a late July 2004 accord outlining “negotiating frameworks” in agriculture and industrial products just to keep the talks afloat. And, this accord has raised serious questions about what exactly is meant by the “development dimension” of the trade round.

On the surface, the accord accommodates many of the smaller developing countries’ declared objectives. They want to minimize liberalization obligations, including in the farm sector where they are concerned about food security, and slow the loss of preferential access to key rich-country markets for their export products. They also want “policy space” to pursue development priorities—that is, to avoid having to implement international rules that are costly or that restrict their ability to subsidize, protect their domestic industries, and impose restrictions, as needed, on foreign investment. In other words, they want the freedoms that the rich countries had in the old days, in a less globalized and integrated world.

But is such a strategy really in these countries’ interests? Most Doha Round simulations suggest that developing countries—as a whole, as well as most subgroups—have much to gain from an ambitious outcome. The lion’s share of these gains would result from liberalization by and among developing countries themselves. And international obligations can protect “policy space” from domestic vested

interests—policy space is of little use if it means bad policies. From this perspective, a strategy that focuses on avoiding liberalization would seem counterproductive. Moreover, some argue that opting out may also, over time, erode the new-found negotiating strength of smaller developing countries within the WTO. It thus risks creating a two-tier system, with one tier subject to new rules, commitments, and benefits, and the second being left on the sidelines.

## **Tackling the fears of small developing countries in world trade talks**

What is holding up progress in the Doha Round? The conundrum of the small developing countries is part of the problem. Past trade rounds have advanced through quid pro quos. Yet, apart from the perceived downside of liberalizing, small developing countries generally have privileged access to their main markets and see little upside in trade “concessions” by their partners. Perhaps a broader development focus is necessary to break the deadlock. Poorer countries will need support if they are to overcome their fears, cope with adjustment, and take full advantage of the opportunities of open trade. That, in turn, might mean stepped-up financial and technical assistance from the richer economies. And some rules may be inappropriate from a development perspective and should not be foisted upon countries that can ill afford them.

The following articles examine the concerns of small developing countries—a group that has, for the first time in global trade talks, found its voice and is emerging as a powerful negotiating force. We begin with a debate by WTO experts on why weak and poor developing countries should engage in the multilateral trading system.

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