RETHINKING LIBERALISATION AND RESHAPING THE WTO

By Martin Khor
Director, Third World Network

I: THE NEED TO RETHINK LIBERALISATION POLICIES

We meet in the aftermath of a global financial crisis as well as the aftermath of the collapse of the Seattle WTO Conference. It is thus urgent and timely to examine and re-examine what is the right approach developing countries should take towards integration in the world economy, and to liberalisation of trade, finance and investment.

On financial liberalisation, there are new lessons to learn from the recent events. It is now clear that financial liberalisation, especially when done inappropriately, was the main cause of the East Asian economic crisis. Many of the affected countries, which had been in the forefront among countries of the South in global economic integration, are now cautious and reviewing their approach to financial openness.

On trade liberalisation, the issue is even more complex. The failure at Seattle provides an opportunity to re-examine the record and to reformulate what is an appropriate approach for trade policy and thus also for the future role of the WTO.

There is a strong paradox or contradiction in the manner developing countries in general and many scholars take towards this issue. On one hand it is almost invariably repeated that "we are committed to trade liberalisation which is positive for and essential to growth and development." On the other hand, many developing countries also notice and are now actively complaining that trade liberalisation has net negative results for their economies, or has marginalised them.

Why are there so many criticisms that the global free-market or free trade system has not benefited countries or people equally? That there is a growing gap between rich and poor countries? And that trade liberalisation has caused problems to developing countries, especially the poorer ones?

It is often asserted in the mainstream literature that there has been growth for all, that liberalisation has benefited "the world" etc. But such generalisations are a fallacy.

It is simply not true that "we are all gainers, there are no losers", as some leading proponents of the Uruguay Round and the WTO would have it. Some have gained more than others; and many (especially the poorest countries) have not gained at all but may well have suffered severe loss to their economic standing.

In fact only a few countries have enjoyed moderate or high growth in the last two decades whilst an astonishing number have actually suffered declines in living standards (measured in per capita income). The UN Development Programme's Human Development Report 1999 (pg 31) states: "The top fifth of the world's people in the richest countries enjoy 82 percent of the expanding export trade and 68 percent of foreign direct investment Ñ the bottom fifth, barely more than 1 percent. These trends reinforce economic stagnation and low human development. Only 33 countries managed to sustain 3 percent annual growth during 1980-96. For 59 countries (mainly in Sub-Saharan Africa and Eastern Europe and the CIS) GNP per capita declined. Economic integration is thus dividing developing and transition economies into those that are benefiting from global opportunities and those that are not."

One of the important things to understand about trade liberalisation is that if it is imposed upon countries that are not ready or able to cope, it can contribute to a vicious cycle of financial instability, debt and recession.

A clear explanation of why trade liberalisation often leads to negative results is found in the UNCTAD's Trade and Development Report 1999. It focuses on the behaviour and balance between imports and exports, and finds that rapid trade liberalisation has contributed to the widening of the trade deficit in developing countries in general. The report finds that rapid trade liberalisation led to a sharp increase in imports but that exports failed to keep pace. For developing countries (excluding China) the average trade deficit in the 1990s is higher than in the 1970s by 3 percentage points of GDP while the average growth rate is lower by 2 percentage points.

This latest important UNCTAD finding corresponds with several recent studies that show there is no automatic correlation between trade liberalisation and growth. Countries that rapidly liberalised their imports did not necessarily grow faster than those that liberalised more gradually.

The problem in trade liberalisation is that a country can control how fast to liberalise its imports (and thus increase the inflow of products) but cannot determine by itself how fast its exports grow. Export growth partly depends on the prices of the existing exported products (and developing countries have suffered from serious declines in their terms of trade) and also on having or developing the infrastructure, human and enterprise capacity for new exports (which is a longterm process and not easily achieved).

It also depends on whether there is market access especially in developed countries. Herein lies a major problem beyond the control of the South, for as is well known there are many tariff and non-tariff barriers in the North to the potential exports of developing countries. Unless these barriers are removed, the South's export potential will not be realised.

Thus, trade liberalisation can (and often) causes imports to surge without a corresponding surge in exports. This can cause the widening of trade deficits, deterioration in the balance of payments and the continuation or worsening of external debt, all of which constrain growth prospects and often result in persistent stagnation or recession.

This should lead us to conclude that trade liberalisation should not be pursued automatically or rapidly and in a "big bang" manner. Rather, what is important is the quality, timing, sequencing and scope of liberalisation (especially import liberalisation), and how the process is accompanied by (or preceded by) other factors such as the strengthening of local enterprises and farms, human resource and technological development, as well as the build up of export capacity and markets. A logical conclusion must be that if conditions for success are not present yet in a country, then to proceed with liberalisation can lead to specific negative results or even a general situation of persistent recession. Thus to pressurise such countries to liberalise would be to help lead them into an economic quagmire.

Developing countries must have the ability, freedom and flexibility to make strategic choices in finance, trade and investment policies, where they can decide on the rate and scope of liberalisation and combine this appropriately with the defence of local firms and farms.

And this is why there should be a freeze on further steps to impose more liberalisation on developing countries through new issues or a new Round in the WTO Seattle meeting. The rich countries must now correct the imbalances and inequities in the world trading system - they should increase their market access to products from developing countries, but they should not press the developing countries to further open up. Developing countries should be allowed to choose their own rate of liberalisation.

II: THE FAILURE OF SEATTLE

The spectacular failure of the WTO Seattle meeting had its roots in both the system of decision-making and the substance of the negotiations. In the many months of the preparatory phase, developing countries generally were more concerned about their non-benefits from the WTO Agreements and about the need to correct the problems of implementation. Most of them were not in the frame of mind to consider or welcome the new issues being pushed by developed countries. The latter on the other hand were aggressively promoting several new issues, such as investment, transparency in government procurement, competition, a new round of industrial tariff cuts, and finally labour and environmental standards. At Seattle, the US push for labour standards led by President Clinton confirmed the worst fears of developing countries that the WTO was sought to be tilted even more against them by the big powers.

The clash of interests over substance was worsened greatly by the utter disrespect for democratic participation of the majority of Members and the great lack of transparency in the multitude of talks held in small groups that the majority had no access to. This was compounded by several manipulative tactics, including the non-incorporation of the views expressed by many Members in the negotiating drafts. It became clear that an attempt was being made to railroad developing countries into agreeing to proposals and texts they had not agreed to, had opposed or had not even seen at all. In the end many developing country delegations made it clear, including through open statements and media conferences, that they would not join in a "consensus" of any Declaration in which they had no or little part in formulating. The talks had to be abandoned without the issuing of any Declaration or even a short statement by Ministers.

The tasks ahead include the need to address both substance and process. The grievances and complaints of developing countries - that they have not benefited from the Uruguay Round, and that the problems of implementation of these Agreements have to be rectified - must urgently and seriously be tackled. The process of decision-making and negotiations in the WTO has to be democratised and made transparent. "Green Room" meetings should be discontinued. Every Member, however small, must have the right to know what negotiations are taking place, and to take part in them. Until the reforms to the system and to the substance of the WTO take place, the organisation's credibility will remain low. And for the reforms to take place, there should be a stop to the pressures being exerted by some of the developed countries to inject yet more new issues into the WTO. The following sections touch on these issues.

III: LACK OF BENEFITS FOR DEVELOPING COUNTRIES FROM THE URUGUAY ROUND

Officials from many developing countries are complaining that their countries have not benefited from the WTO Agreements of the Uruguay Round. And that as a result the credibility of the WTO trade system could be eroded. What is the basis of the complaints?

Most developing countries have not developed yet to a stage where they are able to meet the challenge to significantly export to the world market. It was believed however that the Uruguay Round would improve their chances by increasing the market access of developing countries' exports to the rich countries' markets.

The hopes were especially on textiles and agricultural products where developing countries have some comparative advantage, and also on some other industrial products. But five years after the Uruguay Round came into effect these expected benefits have not materialised, and as a result there is a major sense of disillusionment or even betrayal that developing countries in general feel about the developed trading countries.

Some examples of this:

Market Access in Industry has not improved

A lowering of Northern countries' industrial tariffs is supposed to benefit those Southern countries with a manufacturing export capacity. Even then, the reduction of average industrial tariffs of developed countries has only been from 6.3% to 3.8%, which means that an imported product costing $100 before duty could enter after duty at $104 instead of the previous $106, which is not a significant reduction. In contrast, many developing countries made huge reductions in their tariffs and bound them. According to WTO expert

Mr Bhagirath Lal Das, IndiaÕs average industrial tariff was reduced from 71 to 32 percent, Brazil from 41 to 27 percent, Venezuela from 50 to 31 percent. "Tariff peaks" (or high import duties on certain products) remain in the rich countries for many industrial products that developing countries export. For instance the US tariff for concentrated orange juice is 3 1%. This means that some potential exports of developing countries are still blocked.

No gains yet from the supposed phasing out of textiles quotas

The Uruguay Round's agreement on textiles and clothing was aimed at phasing out the special treatment of the textiles and clothing sector, in which the developing countries had for the past quarter century, agreed to subsidise the North by allowing quotas to be placed on their exports in this sector. This ten-year phase-out was supposed to be the aspect of the Uruguay Round to most immediately benefit the South, or at least the Southern countries that export textiles, clothing and footwear.

However, textile-exporting developing countries have been extremely disappointed and frustrated that five years after the phase-out period began, they have not yet seen any benefits. This is due to the "endloading" of the implementation of developed countries (that is, the liberalisation of most of the products they buy from developing countries will take place only in the final year or years), and the benefits will accrue only at the end of the ten year phase-out period. Although developed countries have legally complied with the agreement by phasing out quotas proportionately, in fact they have chosen to liberalise on products that are listed but which they have not actually restrained in the past. As a result, developing countries have not benefited. They are now pressing proposals that the developed countries improve the quality of their implementation of the agreement on textiles and clothing.

Increase in non-tariff barriers such as anti-dumping measures

Developing countries are also concerned and bitter that the supposed improvement of market access through tariff reductions is also being offset by an increase in non-tariff barriers in the rich countries. A major problem has been the use (or rather abuse or misuse) of anti-dumping measures, especially by the US and the EU, on products of developing countries, including on textiles.

The use of such measures (anti-dumping and countervailing measures) against developing countries' products has become more frequent after the Uruguay Round. Many countries have proposed that the misuse of these measures be curbed by amendments to the Anti-Dumping Agreement. However this is stoutly resisted by the US.

Continued high protection in agriculture

The Agriculture Agreement was supposed to result in the import liberalisation and reduction of domestic support and export subsidies for agricultural products especially in the rich countries, and this was expected to improve the market access of those Southern countries that export agricultural products. As it turned out, however, the protection and subsidies have been allowed to remain very high. For example, in the initial year of the agreement, there were very high tariffs in the US (sugar 244 percent, peanuts 174 percent), EU (beef 213, wheat 168); Japan (wheat 353), Canada (butter 360, eggs 236). The rich countries have to reduce such high rates by only 36 percent on average to the end of 2000. The tariffs have thus been still very high making it impossible for developing countries' exports to gain access.

Also, the Agreement has allowed the developed countries to maintain most of the high subsidies that existed prior to the Uruguay Round conclusion. For example, they are obliged to reduce their very high domestic subsidies by only 20%. In contrast most developing countries had no or little domestic or export subsidies earlier. They are now barred by the Agriculture Agreement from having them or raising them in future. There is a great injustice in this very odd situation.

Conclusion

As seen from these examples, from the viewpoint of countries of the South, one of the major categories of "problems of implementation of the Uruguay Round" is the way the Northern countries have not lived up to the spirit of their commitments in implementing (or not implementing) their obligations agreed to in the various Agreements. This has led to the non-realisation of the expected benefits to developing countries of their joining the WTO.

IV: "IMPLEMENTATION PROBLEMS" FACED BY DEVELOPING COUNTRIES FROM THE URUGUAY ROUND

One of the reasons the developing countries are reluctant to endorse new initiatives or new issues in the Seattle WTO meeting is because they are still struggling with serious problems in their having to implement the Uruguay Round.

The Uruguay Round resulted in several new legally-binding agreements that require developing countries to make drastic changes to their domestic economies in such diverse areas as services, agriculture, intellectual property and investment measures. Many developing countries did not have the capacity to follow the negotiations, let alone participate actively, and did not really understand what they committed themselves to. Some of the agreements have a grace period of five years before implementation. That period expired at the end of 1999. The problems they will encounter from having to implement these agreements are thus only starting and are bound to get worse.

The following are some of their major general problems:

(a) having to liberalise their industrial, services and agriculture sectors will cause dislocation to the local sectors, firms and farms as these are generally small or medium sized and unable to compete with bigger foreign companies or cheaper imports; and this could threaten jobs and livelihoods of millions;

(b) the Uruguay Round removed or severely curtailed the developing countries' space or ability to provide subsidies for local industries (due to the subsidies agreement) and their ability to maintain some investment measures such as requiring that investors use a minimum level of local materials in their production (this is prohibited by the trade-related investment measures agreement);

(c) the TRIPS agreement prevents local firms from absorbing or internalising some technologies over which other corporations (mainly foreign firms) have intellectual property rights; this would curb the adoption of modern technology in the South; also, prices of medicines and other essential products are expected to rise significantly when the new IPR regime takes effect in the next few years.

PROBLEMS CAUSED BY SOME AGREEMENTS

Agriculture Agreement

The Agriculture Agreement could have severe negative effects on many Third World countries. Most of them (excepting the least developed countries) will have to reduce domestic subsidies to farmers and remove non-tariff controls on agricultural products, converting these to tariffs and then progressively reducing these tariffs. This will impose global competition on the domestic farm sector. Farmers unable to compete with cheaper imports may not survive. Hundreds of millions of small Third World farmers could be affected. There is also a category of developing countries which are net food importers; as subsidies for food production are progressively reduced in the developed countries, the prices of their exports may increase; the net food importers may thus face rising food import bills.

A recent FAO study of the experience of 16 developing countries in implementing the Uruguay Round agriculture agreement concluded that, "A common reported concern was with a general trend towards the concentration of farms. In the virtual absence of safety nets, the process also marginalised small producers and added to unemployment and poverty. Similarly most studies pointed to continued problems of adjustment. As an example, the rice and sugar sectors in Senegal were facing difficulties in coping with import competition despite the substantive devaluation in 1994." (FAO Paper, Experience with the implementation of the Uruguay Round agreement on agriculture, synthesis of country case studies, Sept. 1999, prepared by FAO's Commodities and Trade Division).

Many developing countries during the preparations for Seattle proposed amendments to the Agriculture Agreement to take into account their problems of implementation. In most developing countries, small farmers form a large part of population. Their livelihoods and products (especially food) are the main basis of Third World economies. These livelihoods could be threatened by agricultural liberalisation under the agriculture agreement. Local food production could also be threatened by cheaper imports. Developing countries would then become more dependent on imports for their food supplies, thus eroding national food security.

To deal with these two serious problems, many developing countries (including India, Indonesia, Egypt, Sri Lanka, Uganda, Zimbabwe, El Salvador etc.) have proposed that developing countries be given flexibility in implementing their obligations on the grounds of the need for food security, defence of rural livelihoods and poverty alleviation. They proposed that in developing countries, food produced for domestic consumption and the products of small farmers shall be exempted from the Agriculture Agreement's disciplines on import liberalisation, domestic support and subsidies.

THE TRIMS (Trade Related Investment Measures) AGREEMENT

In the TRIMs Agreement, "investment measures" such as local content (obliging foreign firms to use at least a specified minimal amount of local inputs) will be prohibited for most developing countries from Jan. 2000. This would prevent them from maintaining policies they have had to promote the local firms, to enable greater linkages to the domestic economy, and to protect the balance of payments. Developing countries need these policies because of the low level of development of the local sector, which would not be able to withstand free competition at this stage. Thus, by implementing TRIMs, developing countries will lose some important policy options to pursue their industrialisation.

In the review of the TRIMs Agreement, which is scheduled to begin in 1999, the problems of implementation for developing countries should be highlighted. The prohibition of "local content" requirement (i.e. that firms or projects make use of a certain minimum amount of local materials) will seriously hinder the efforts of developing countries to promote local industry, save on foreign exchange, and upgrade local technological capacity. There is also a prohibition on investment measures that limit the import of inputs by firms to a certain percentage of their exports. Such measures had been introduced to protect the country's balance of payments. The prohibition of these two investment measures will make the attainment of development goals much more difficult.

The TRIMs Agreement should be amended to allow developing countries the right to have "local content" policy and to limit the import of inputs to a certain percentage of a firm's exports.

Several developing countries (including Brazil, India, Indonesia, Malaysia, Pakistan, Uganda, Egypt) had demanded during the pre-Seattle negotiations in the WTO in Geneva that TRIMs be amended to provide developing countries the flexibility to continue using such investment measures to meet their development goals.

TRIPS (Trade-Related Intellectual Property Rights) Agreement

The South's collective loss was most acutely felt in the agreement on TRIPS (Trade Related Intellectual Property Rights) through which countries are obliged to introduce IPR legislation with standards of protection that are similar to Northern countries. This will hinder Southern countriesÕ indigenous technological development. It should be noted that the present industrial countries did not have patent or IPR laws, or laws as strict as will now be imposed through TRIPS, during their industrialising period, and this enabled them to incorporate technology design originating from abroad in their local systems.

The agreement will also give rise to increasing technical payments such as royalties and license fees to TNCs owning most of the world's patents.

The new IPR regime will also have significant impact on raising the prices of many products. By restricting competition, the IPR rules will enable some companies to jack up prices of their products far beyond costs and thus earn rents in terms of monopoly revenues and profits. This is clearly seen in the case of computer software.

Also, most Third World countries have in the past exempted agriculture, medicines and other essential products and processes from their national patent laws, but with the passage of TRIPS, everything is subject to IPRs unless explicitly exempted. The prices of medicines are expected to shoot up in many countries, and foreign drug sales will increase rapidly at the expense of local products.

The TRIPS agreement also opens the door to the patenting of lifeforms such as microorganisms and modified genetic materials, thus providing the boost in incentives so much desired by the biotechnology industry. Many environmentalists are concerned that this will be detrimental to the global environment as the present lack of controls and accountability in biotechnology research and application will likely accelerate biodiversity loss and could threaten natural ecosystems.

For plant varieties, TRIPS does permit countries the option to either introduce patents or an alternative "effective" sui generis system of intellectual property protection. This has to be implemented by Jan. 2000. Many farmers' groups (especially in India, where huge farmers' demonstrations and rallies have been held against GATT/WTO) and environmentalists are concerned that in the end Third World farmers will be disallowed the traditional practice of saving seed for the next season's planting (if the seed used is under the intellectual protection of a company) but forced to purchase the seeds from companies.

Given these many problems, the TRIPS agreement should be amended to take into account development, social and environmental concerns. Meanwhile, the grace period before implementation should be extended. Many developing countries had made formal proposals before and at Seattle that a review of TRIPS along these lines be made and that there should be an extension of the implementation dateline. So far the US and EU have turned down these requests, insisting that the laws already created cannot be changed.

Recently there have been calls from some eminent economists and from some NGOs to take the TRIPS Agreement out of WTO altogether. TRIPS is a protectionist device, and should have no place in an organisation that is supposed to be committed to liberalisation. Moreover IPRs is not a trade issue. By locating it in the trade system, the road is open to overload the WTO with more and more non-trade issues.

Conclusion

These are only a few examples of how developing countries are facing immense problems now and especially in future. They are unable to absorb the changes they are required to make to their economic and social policies. Thus many of the countries are correctly arguing that they need time to digest the Uruguay Round, that some of the rules that are unfair and that generate serious problems should be reviewed, and that until these are satisfactorily resolved there should not be fresh demands on them to liberalise further, especially through new issues such as investment and government procurement.

Given the serious problems faced by developing countries in implementing their Uruguay Round commitments (and in the developed countries not properly implementing their commitments), there should be a review of many of the Agreements with a view to amending them. In fact many of the Agreements themselves mandate that reviews be carried out four or five years after their coming into force.

The next three to five years of the WTO's activities should focus on the review process, so that the opportunity to rectify the defects of the Agreements can be taken. This review process would in itself be a massive task, involving analyses of the weaknesses of the various Agreements, assessments of how they have affected or will affect developing countries, proposals to amend the Agreements, and negotiations on these proposals.

V: WHY THE WTO SHOULD NOT TAKE ON NEW ISSUES

A major reason for the failure at Seattle was the reluctance and refusal of many developing countries to allow the WTO to be given the mandate to take on more new issues for negotiating new agreements, which had been proposed by some of the developed countries.

Saying no to the proposed new issues makes much sense.

If the WTO is to improve its already poor credibility, it should focus in the next few years on reviewing problems of implementing the Agreements and make the necessary changes in the agreements. These will be enormous tasks. They will not be properly carried out if there is a proliferation of new issues in a new Round. The extremely limited human, technical and financial resources of developing countries and their diplomats and policy makers would be diverted away from the review process to defending their interests in the negotiations on new issues. The limited time of the WTO would also be mainly engaged in the new issues.

There will be little time for examining, reviewing and improving the existing agreements, and the problems arising from their implementation will increase through time and accumulate, and manifest themselves in social and economic dislocation and political instability in many countries.

If this is not enough, most of the proposed new issues would also have the most serious consequences for the South's future development. Issues such as investment rules, competition policy and government procurement do not belong in the WTO (which is supposed to be a trade organisation) in the first place. They are sought to be placed there by the developed countries to take advantage of the enforcement capability (the dispute settlement system) of the WTO, so that disciplines can be effectively put on developing countries to open their economies to the goods, services and companies of the developed countries. Other issues relate to labour, social and environment standards. These too should not enter the WTO as issues to be negotiated into new agreements. If they do so, then these issues are likely to be made use of by developed countries as protectionist devices against the products and services of developing countries.

Should the developed countries continue to push and pressure for these new issues, then the WTO will continue to be split, and moreover other pressing issues such as the problems resulting from the existing Agreements would not be tackled. Developing countries should therefore not accept and developed countries should refrain from the injection of these new areas into the WTO.

VI: CONCLUSIONS

The multilateral trade system faces a crisis and a crossroads. To resolve the crisis of identity and credibility, the following should be considered:

1. Review the record of liberalisation and take a more realistic approach. This requires a slowdown or stop to pressures being put on developing countries for further liberalisation.

After all, if the developed countries continue after so many years to maintain such high protection in agriculture, textiles and some industrial products (and argue that they need more time to adjust), they have no basis to insist that developing countries must continuously liberalise in services or industrial products on the supposed ground that such liberalisation is automatically good for them.

2. Reassert the objective of the trade system as primarily the development of developing countries which form the majority of the membership. Liberalisation or "free trade" should not be the operational aim. The goal should be development. Therefore there should be a shift of emphasis away from removing what is considered "trade distorting", to instead removing the obstacles to development, or to review and rectify policies or practices that are "development distorting." The goal and dimension of development must be primary in WTO rules and assessment of proposals or measures. The "special and differential

treatment" principle should be greatly strengthened operationally, far beyond its present weak state.

3. The problems of implementation of the Uruguay Round agreements should be given the top priority at the WTO. There is a danger that after the Seattle failure, these problems will again be sidelined as the focus is given to the problem of participation and transparency. It must be recognised that the main cause of the Seattle failure was the disillusionment of many developing countries with the inequities of the rules and the negative effects these would have on their economies and societies. To restore credibility to the trading system in the eyes of developing countries, the following should be done:

(a) Developed countries should take measures to greatly increase market access for developing countries' products, such as in agriculture, textiles and industrial products (where there are now high tariffs); moreover they should stop taking protectionist measures such as anti-dumping measures;

(b) In the many areas where developing countries face problems in implementing their obligations (such as in TRIMs, TRIPS, agriculture), a review and change of the existing rules should be done on an urgent basis. For a start, the sets of proposals put forward by developing countries during the preparations for Seattle (many of which are contained in the draft Ministerial text of 19 Oct. and more are contained in the compilation of proposals) should be treated with urgency by the WTO General Council. A mechanism should be set up to consider these proposals and to rectify the problems (including through amending the agreements) as soon as possible;

(c) In the meanwhile, where the transition period for developing countries has expired (for example, in TRIPS and TRIMs), an extension should be given at least until the review process is completed. There should also be a moratorium on bringing dispute cases against developing countries on issues where the reviews are taking place.

4. Serious consideration should also be given to trimming the WTO so that it can carry out its tasks of regulating trade relations for the benefit especially of developing countries. In areas where it has accumulated a mandate that is inappropriate, steps should be considered to hive off these aspects. For example, it should be seriously discussed whether the TRIPS agreement should remain within the WTO.

5. There should not be pressures to introduce new issues such as investment, competition, procurement, labour and environmental standards as these would overload the system further and lead to tremendous systemic stress and great tensions and divisions in the organisation.

6. The system and culture of decision making in the WTO must undergo serious reform. This cannot be done in a rush but has to be considered carefully, in a process in which all Members have full participation rights. The exclusive Green Room meetings (which do not have the mandate of the full Membership, and which are not officially announced, nor are the results of the meetings made generally known) should be discontinued.

Manipulative methods (such as at Seattle where chairpersons of groups declared there was a consensus view when there was none, or when points made by some members were ignored) should stop. At meetings where issues are discussed and drafts are made and negotiated, there should be transparency and participation, where each Member is given the right to be present and to make proposals. Even if some system of group representation is considered, all Members should be allowed to be present at meetings and have participation rights. The Secretariat should also be impartial and seen to be impartial. Whatever results from the reform process, if there is one, the system should reflect the fact that the majority of Members are now from developing countries which have as much stake or more in a truly fair and balanced multilateral system as the developed countries, and therefore the system must be able to provide the developing countries with the means with which to voice their interests and exercise their rights.

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