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THE WORLD TRADE ORGANISATION AND DEVELOPING COUNTRIES: POWER ASYMMETRIES

Abstract

This paper discusses the relevance of the World Trade Organisation in trade liberalization processes and makes a particular emphasis on power distribution in the organization between developed and developing countries. The domination of the rich countries within the framework of the General agreement on tariffs and trade (GATT) – the predecessor of WTO – left a mark on the power distribution within WTO and predetermined the trajectory of its development for years to come. The inequality among countries in terms of political and economic power, technical and institutional capacity has been persistent ever since establishment of WTO which to a particular extent explains the deadlock of the current Doha round of negotiations. The paper having examined the participation of developing countries in the global trade negotiations sheds light onto the challenges and opportunities existing for the developing world and concludes that without creating coalitions particularly the least developed countries will likely remain unheard in global trade talks.

Key words: *World Trade Organisation, GATT, trade liberalization, Doha round*

Аңдатпа

Бұл мақала сауданы ырықтандыру процесстеріндегі Дүниежүзілік Сауда Ұйымының релеванттылығын талқылайды және дамыған мен дамушы елдер арасындағы билікті үйлестіруге ерекше көңіл бөледі. Тарифтар мен сауда жөніндегі бас келісім шеңберінде Бай елдердің басымдылығы – ДСҰ ізашары – ДСҰ ішінде биліктің таралуына із қалдырды және кейінгі жылдардағы оның даму траекториясын алдын-ала анықтады. Елдердің арасындағы саяси және экономикалық күштеріне, сараптамалық және институционалдық әлеуеттеріне қатысты теңсіздік ДСҰ құрылғаннан бастап тұрақты қалыпқа ие болды, бұл Доха келіссөздерінің қазіргі раундтағы тұйыққа тірелуін түсіндіреді. Бұл мақала, дамушы елдердің жаһандық сауда келіссөздерінде қатысуын талдаудан кейінгі дамушы әлемге арналған мәселелер мен мүмкіндіктерге оқырманның назарын аударады және қорытындысында, коалиция құрылмаған жағдайда даму деңгейі едәуір төмен елдердің мүддесі халықаралық сауда бойынша келіссөздер кезінде ескерілмей қала беретінін айқын көрсетеді.

Тірек сөздер: *Дүниежүзілік Сауда Ұйымы, Тарифтар мен сауда жөніндегі бас келісім, сауда либерализациялауы, Доха раунд*

Аннотация

Данная статья обсуждает релевантность Всемирной Торговой Организации в процессах либерализации торговли и делает особенный акцент на распределение власти в организации между развитыми и развивающимися странами. Доминирование богатых стран в рамках Генерального соглашения по тарифам и торговле (ГСТТ) – предшественник ВТО – оставило след в распределении власти внутри ВТО и предопределило траекторию ее развития в последующие годы. Неравенство среди стран касательно политической и экономической силы, экспертного и институционального потенциала имело постоянный характер со дня учреждения ВТО, что в определенной степени объясняет тупик текущего раунда переговоров Дохи. Статья, проанализировав участие развивающихся стран в глобальных торговых переговорах, обращает внимание читателя на проблемы и возможности, существующие для развивающегося мира, и в заключение подчеркивает, что без создания коалиций интересы особенно наименее развитых стран, вероятно, будут оставаться неучтенными на переговорах по международной торговле.

Ключевые слова: *Всемирная Торговая Организация, ГСТТ, либерализация торговли, Доха раунд*

International institutions such as the United Nations, the World Trade Organisation (WTO), the European Union (EU) and other related organizations originated from the idea of global governance have become particularly important in this increasingly turbulent world at the beginning of the twenty first century. They are deemed to be a result of globalization the notion of which peppers many studies of international relations. Importantly, developing countries are increasingly having suspicious views on the benefits that further integration into the global trade can bring. It is argued that not many economies, perhaps most developed ones only, are likely to gain from globalization galloping with a

speed that developing and least developed countries (LDCs) cannot handle (Michalopoulos, 2001). However, the widely-felt danger of lagging behind, which means having increasingly less influence at the global level, is likely to encourage nations to integrate into the global trading process and more actively participate in international organizations (ibid). In addition, however integrationalist ideas persist, there have been put forward arguments that the move towards ever expanding international institutions is not an indicator of the world's progression to a global or regional superstate (Rittberger and Zangl, 2006). This is not to say, however, that international organizations have little significance. On the contrary, they are a very important tool to more or less equalize powers of nations with extremely different levels of development. It is argued, for instance, that the WTO is a forum where developing countries (DCs) can indeed transcend power asymmetries and enjoy greater say in the multilateral trade development process. This paper attempts to critically evaluate this argument. In doing so, it firstly examines participation of DCs in the global trade before the WTO establishment and the new challenges including 'Singapore issues', as well as opportunities in the WTO Doha round. Then the paper explores bargaining coalitions like G20/Café au Lait and the issues of agriculture, textile and clothing liberalization that they tackle. Dispute settlement mechanism is then examined with some important cases. The paper concludes that the WTO provides opportunities for rich DCs while LDCs are still underprivileged.

The major aim of any negotiating government is to increase its country's export and boost its economic growth. Analysts suggest that within the contemporary WTO framework member-states can enjoy new joint economic gains if they effectively arrive at new consensuses. It was recognized in the WTO that a country would also get richer if other countries were getting richer (Mukerji, 2000). However, some developing countries have been arguing to the contrary that the richer developed countries become the poorer the developing world get, hence, inequality gap continues to widen (ibid).

It is argued that removing all world trade barriers would bring considerable benefits to particularly developing countries: no less than 200 billion US dollar per annum in income, 50 per cent of which coming from developed countries (Cline, 2001 cited in Odell, 2007). Subsequently, it is also claimed that within only 15 years 500 million people could be alleviated out of poverty (ibid). Thus, these optimistic opportunities are deemed to encourage countries to negotiate and compromise at the global level. However, participation of DCs in the global trade negotiation had not appeared significant in the General Agreement of Tariffs and Trade (GATT) procedures although their more active participation was apparent from the Uruguay round (Michalopoulos, 2001). Hence, for the second half of the twentieth century developed countries have been enjoying disproportionate amount of benefits resulted in by the world trading system. It is argued that the WTO presents a window of opportunity to resolve this imbalance (Grimwade, 2004).

Several trade negotiating rounds before 2001 brought about results mainly influenced by the United States (US) and the European Union (EU) (Maswood, 2007). However, this duopoly was paramount until recently. For instance, the debacle in Seattle demonstrates the dissatisfaction of developing countries with the mechanism of negotiations, proposals for a new Round, and the unjust treatment by the US (Odell, 2007; Michalopoulos, 2001).

With the establishment of the WTO, however, there were brought about new obligations constraining DCs such as intellectual property rights and services which demanded increased institutional capacity of member states (Narlikar, 2003). Importantly, the WTO one-member-one vote system and its unbiased Dispute Settlement Mechanism promised theoretical equality and opportunities to developing countries to voice their complaints and secure their market access though for these countries challenging major superpowers was complicated due to the lack of institutional capacity (Lal Das, 1999; Michalopoulos, 2001; Mukerji, 2000; Narlikar, 2003). In addition, the issues handled in the WTO were, and are, becoming increasingly technical putting greater pressure on the analytical ability of developing country-members' institutions (ibid).

It is assumed that the Doha Development Round – the first round within the framework of the newly established WTO – started in 2001 was to prioritize developing countries' interests (Crump and Maswood, 2007). Despite such rhetorical focus, practice proved somewhat different. The new round certainly fuelled active involvement of DCs that was particularly evident at Cancun Ministerial Meeting. Here, so-called 'Singapore issues' (trade facilitation, rules on investment, transparency in government procurement, competition policy) were central. As the 'Singapore issues', perceived by the group of 20 developing countries (G20) as considerably costly, were insisted by the EU,

negotiations did not eventually result in a consensus (Maswood, 2007). Adamant opposition to these issues points to the anxiety of DCs regarding the inevitable costs of the agreement. In addition, DCs' failure to accomplish their obligations under these agreements would be prohibitive as there would always be a danger of facing trade sanctions (Mehta and Nanda, 2007). Furthermore, agreeing to one of the Singapore issues – trade facilitation – can also result in detriment to DCs. Thus, it is concluded that the future of the Singapore issues is dependent on the progress made in agriculture liberalization (*ibid*).

Importantly, as Crump and Maswood (2007) and others argue, DCs managed to effectively represent their collective interest at Cancun through the G20 coalition and explicitly opposed the duopolistic nature of multilateral negotiations. Others, however, recognize this as an institutional fiasco rather than effectiveness of the coalition. As Narlikar and Wilkinson (2004) argue, the Cancun failure is not a win for DCs but rather a result of imperfections of the WTO institutions which, if not corrected on time, will inescapably lead to a greater disagreement among the WTO members and jeopardize the WTO legitimacy (*ibid*).

As noted above, when negotiations bring about benefits that must be allocated to all members contributed to the process, the power asymmetry becomes crucial. Rationally, all the members expect each other to attempt to get more of gains therefore they will all employ distributive strategies to seem to have contributed significantly. It is at this point, however, when superpowers will try to squeeze more of the benefits (Odell, 2007). However, it is suggested that if DCs ally in an effective issue-specific coalition they will be able to transcend such power inequality and increase their influence in global negotiations (*ibid*).

Importantly, looking at individual trade power of the WTO members alone, it is undeniable that disproportionate power is held by the US, the EU, China and Japan (Appendix A) (Odell, 2007). Thus, without bargaining coalitions and the principles of the WTO as such, most DCs would have no influence on global negotiations whatsoever (*ibid*). It is therefore claimed that existence of coalitions and of the WTO as an institution provide DCs with an opportunity to resist hegemonic pressures and pursue their interests. Moreover, such trade power has been gradually relocating towards DCs as they have been expanding their share of world import (Appendix B). As seen from the Appendix B, combined trade power of developing countries has been notably increasing from 24 per cent in 1984 to 30 per cent in 2004 which is expected to inevitably grow in the future (Odell, 2004). One would agree with Grimwade (2004) that there can occur opportunities in the WTO for developing countries to gain significantly from multilateral negotiations by negotiating correctly and speaking with one voice. A coalition of weak bargainers should employ both distributive and integrative tactics to secure some gains while also making other concessions. Thus, as Grimwade also notes, coalitions of weak bargainers should not eliminate possible alliances with some developed countries. For instance, allying with the US and New Zealand in further agriculture liberalization would provide developing countries with more credibility and likelihood to succeed on the matter (Grimwade, 2004). Authority of DCs is increased by their quantity, legal equality and the WTO consensus principle that allow even economically vulnerable members to veto any decision. But, as mentioned, such behaviour might prove irrational in the face of the superpowers. Nonetheless, it becomes more reasonable if that member is protected by a coalition (Odell, 2007).

In terms of politicization of the GATT/WTO, it should be noted that developed countries frequently warn developing countries not to behave in solidarity with other member-states but instead on the ground of their own economic benefit solely (Lal Das, 2003). However, as practice demonstrates, developed countries themselves have often been acting in informal political alliances with one another clearly pursuing political objectives (*ibid*). For this reason, to some extent, developing countries have recently been tempted to form coalitions to resist other political groupings in the newly emerging economic order.

Unjust provisions of the Uruguay Round (UR) under the GATT had long been frustrating developing countries. The agriculture issue has been repeatedly attached high importance by DCs. The main benefits of the UR for DCs, reduction of agricultural tariffs, subsidies and tariffication, have been deliberately backloaded (Mbiri et al. 2003). Furthermore, preferential treatment for DCs promised in the UR in the forms of lower level of obligations, more flexible timetables and technical assistance were implemented unsatisfactorily: disputes about obligations had often been raised by developed countries; timetables for transitional periods were unreasonably short; and technical assistance was neither fruitful nor at low cost (Mihalopolous, 2001; Narlikar, 2003)

A danger of unfair agreement on agriculture liberalization arguably fueled particularly large developing countries to ally as a group of 20 (G20) which also contained some members of the Cairns group (Maswood, 2007). The authority gained through G20 allowed its members to question the US and EU supremacy in the supposedly multilateral system of the WTO and protect their interests in Cancun, Mexico (ibid).

Narlikar, A. (2003) also insists on the importance of coalitions that developing countries form. A very successful issue-based union in the form of G20/Café au Lait has demonstrated the way even small member-states with substantial interests and enthusiasm can enjoy bargaining influence. The area of interest of the coalition united members and enabled them to support each other for an effective outcome. However, it is worth noting that such coalition formation always comes at considerable costs that might be prohibitive for LDCs especially (ibid).

Backloading of agriculture liberalization by the developed countries have prevented developing countries from having large profits from increased exporting of their low-cost agricultural goods world-wide at low tariffs (Anderson and Martin, 2007). In fact, one could argue that developed countries have been excessively making protectionist measures to delay further liberalization in agriculture, textile and clothing which had long been fought for by developing countries. (Mukerji, 2000; Maswood, 2007) For instance, in developed countries, despite the GATT drive towards low tariffs, high tariffs hidden through 'tariff peaks' for clothing, textile and agricultural goods imports as well as non-tariff restrictions have been detrimental to the further expansion of these goods by developing countries (Mukerji, 2000).

It is reported that the farm subsidies of wealthy countries globally reaches 1 billion US dollar a day. In 2002, the US cotton producers enjoyed 3 billion US dollar in subsidies. In global comparison, this amount is considered far excessive (i.e. exceeds the national income of Mali, major African cotton exporter). Domestic subsidies have been particularly trade distorting: developing countries have been suffering from a net income lost of 60 billion US dollar per annum (ibid). Arguably, developed countries have managed to persist due to their strong political influence that developing countries have not managed to erode so far. Moreover, it is suggested that if this strong political say is broken there will be opportunities to reform protectionist policies and hereby to bring about considerable gains particularly for Sub-Saharan Africa and Southeast Asia and alleviate poverty by boosting their real income (ibid). It is also worth noting that governments' direct income support of the US and of the EU farmers negatively affects farmers of developing countries. For instance, in 2002, the US increased its farmer subsidies to 80 per cent which inevitably discouraged DCs to arrive at consensus in Doha talks through reciprocal concessions (Odell, 2007).

As the Doha talks were increasingly becoming over-heated, there were suggestions to resolve disputes through 54 per cent cut in tariffs on farm market access for wealthy countries; and capping the US domestic subsidies at 20 billion US dollar. However, these were acceptable to neither the US nor the EU (ibid).

It can thus be concluded that due its crucial unanimity of intention on agriculture as well as on 'Singapore issues' and others G20 has presented itself as the third pole in the global trade negotiations effectively representing more than half the world's population interests of which have long been ignored by the developed world (Narlikar, 2003). Furthermore, the explanation for the Doha Round's suspension would effectively be the emergence of G20, the WTO African Group, group of 90 DCs and other coalitions that have complicated the decision-making in the WTO.

Returning back to the coalitions it is worth remembering that the strength of a coalition seems dependent on the width of its purpose. It can be argued that, *ceteris paribus*, a narrow issue-specific coalition enjoys far greater likelihood to gain for its members than one concerned with a wide range of issues (Odell, 2007). Cohesiveness as well as credibility of a coalition is effectively decreased with the increase in the number of its members, hence, with the number of issues and specific demands to be pursued (Hamilton and Whalley, 1989 cited in Odell, 2007). An example of ineffective coalition would be the Like Minded Group (LMG) consisting of 14 DCs with varied levels of development and world shares of trade power. Aimed at changing the Uruguay agreements inadequately implemented by the developed countries, the coalition requested a set of varied amendments. As meetings of the coalition were becoming less and less fruitful due to disagreements from within, it eventually disintegrated gaining relatively little compared to the costs of forming itself as well as of the Uruguay Round agreements (Narlikar, 2003; Odell, 2007). However, the more cohesive, issue-specific WTO African Group, including also Brazil and India and some other LMG members, succeeded

significantly seeking jointly to establish a separate declaration in Doha for a purpose that no member should be prevented from protecting public health despite the Agreement on the Trade-Related Aspects of Intellectual Property Rights (TRIPS) (Narlikar, 2003). For instance, in the case of national emergency (disease), a member state could use medicine without prior-licensing. Thus, the US, large pharmaceutical industry, failed to resist the joint power of the coalition (Odell, 2007). However, there is uncertainty regarding the way to define a developing country as having a national emergency and hereby to allow for the use of preferential provisions of the TRIPS agreements (Grimwade, 2004). This ambiguity arguably makes DCs vulnerable to allegations from the WTO members. Furthermore, some argue that the African group would not have reached the Doha Declaration without the support of Brazil and India that enjoyed the support of some non-governmental organizations (NGOs) and of some European countries (Drahos, 2007).

The newly established Dispute Settlement Mechanism (DSM) was dedicated to find positive solutions to complex disputes with a particular attention to the needs of developing countries (Mukerji, 2000). The DSM is considered as one of the most effective systems of international dispute resolutions in within the jurisdiction of the contemporary international law (Sarooshi, 2003). There are significant differences between the dispute settlement systems under the GATT and WTO. The positive consensus principle under the GATT was to allow any member-country to block rulings which would result in a refusal of the whole panel report and in further delays. Moreover, widely perceived as the 'club for rich men', the GATT was arguably more 'power-oriented' whereas the WTO is 'rule-oriented' (Narlikar and Wilkinson, 2004; Bown, 2004). Importantly, the DSM secures negative consensus which effectively means that there should be a consensus to reject rulings which is practically impossible: a country willing to block rulings has to convince all members including its opponent in the dispute. For these and other merits the DSM has been extensively harnessed by both the developed and developing worlds. This signifies the effectiveness of the new system with an increasing tendency towards the rule based diplomacy which is likely to create opportunities for DCs to pursue their interests bypassing power inequalities (ibid).

A particularly contentious issue considered in the DSM is the bananas dispute involving both developing and developed countries in oppositions. Backed by the US through "Chiquita" company, Ecuador, Guatemala, Honduras, Mexico complained that European countries' policy on bananas trade was breaching the provisions of the WTO. The EC's preferential treatment of its former colonies resulted in the denial of access of Chiquita bananas to its profitable markets. Despite the specialization of the former colonies in banana production, hence, the dependency on this industry in terms of employment and income, such a politically sensitive issue was eventually handled in favour of the US and the involved developing countries. The WTO principles allowed for the US to use sanctions against the EC in the form of temporary cancellation of concessions that thus demonstrated the way some international companies can pursue their commercial interests through rules of the global negotiations (Mukerji, 2000).

Certainly, the dispute around the reformulated gasoline is a good example of DCs enjoying the rule-based diplomacy of the WTO. Venezuela and Brazil allying for the go against the US on the ground of violation of the Most-Favoured-Nation-Treatment proved effective (Bown, 2004). Consequently, appellate review and panel found the US breaching the rules which resulted in compliance of the US. This demonstrates the opportunity DCs are provided with to neglect power inequalities (ibid).

More importantly, one would agree with Bown (2004), power relations are central to the issue of obedience to GATT/WTO rules, taking into account self-enforcing nature of agreements and the danger of turning to bilateralism. Thus, the effectiveness of a complainant willing to obtain compensations for the disobedience of a defendant to GATT/WTO obligations immensely depends on its capacity to threaten with its own bilateral policy (ibid). Then this effectively means that economically vulnerable countries, especially LDCs, are the least beneficiaries of the DSU. Thus, it is argued that in order for developing countries to be influential their increased integration in to the global trading system is needed. The more they import from developed countries by liberalizing their own market access, the more capacity they gain to be able to make threats to retaliate in the future if needed. As a result, in the case of bilateral negotiations with developed countries DCs become more powerful and capable of making credible threats to withhold important concessions from developed country trading partners; hence, requesting compliance with the WTO rules (Bown, 2004). This is arguably the possible way DCs can circumvent power inequality gaps and influence the multilateral trade development process.

Most importantly, it is argued that developing country-members' opportunities to transcend power asymmetries in the WTO and increase their say in the global trade development greatly depends on their ability to actively participate in the WTO. Active participation can only be achieved with a competent institutional capacity which developing country-members unfortunately lack. Incompetent analytical capacity of governmental and other institutions representing a country's interests and its improper presence in Geneva exacerbate their lack of ability to effectively use the dispute settlement mechanism (DSM) and the WTO principles generally (Narlikar, 2003). This is true when a developing country faces financial constraints in the form of costs of legal representation in the DSM that are prohibitive for its government which effectively entails weak advocacy for DC interests (Mbirimi et al. 2003). This is also true when a member-country has the right to vote if only it is physically present in negotiations. Thus, some developing country-members have no permanent mission in Geneva and therefore are not able to have their say when arriving at consensus, neither they have been able to pursue their economic interest through adequate legal representation (Narlikar, 2003).

Therefore, one could reasonably suggest that despite the opportunities for developing countries in the WTO to compete with developed countries and have their voices heard and concerns addressed through consensus-based decision-making and the DSM, without an adequate participation a country is severely underprivileged in pursuing its interests (Michalopolous, 2001). As it is noted by Michalopolous (2001: 171), "increased institutional capacity of a country will depend on:

1. whether it undertook antidumping action against another country (this would entail complicated administrative procedures)
2. whether it addressed its grievance through the DSM
3. whether it has permanent representation in the WTO (i.e. its special WTO mission in Geneva)".

As a consequence of this background, it should be noted that there is a new dichotomy: developed and rich developing countries seem to have benefited from the WTO provisions on one side and the LDCs interest of which are effectively neglected on the other.

It should also be noted that the US threats to turn to bilateral agreements exacerbates the Doha negotiations. If these threats are to be in action, DCs will struggle to influence the US bilaterally which effectively means the reduction of DCs bargaining power (Narlikar and Wilkinson, 2004). Thus the WTO is a far more beneficial environment for developing countries to transcend power asymmetries and gain from the new economic order (ibid).

As Maswood (2007) argues, the launch of Doha as a development round has become 'regrettable inevitability' for developed countries that have never been willing to explicitly meet the needs of developing countries.

In conclusion, there is a need to answer the question: is the WTO still the 'club for rich men'? The answer is perhaps 'No'. As argued above, there is some evidence that with the emergence of the WTO there have come into being new important principles that are likely to benefit DCs participation. However, in order for developing countries to utilize those opportunities presented, they need good experience in multilateral negotiations with competent institutional capacity, shrewd tactics of coalition formation and promising economic development. Unfortunately, this might effectively mean that in the WTO, despite the provided preferential provisions, the least developed countries are still underprivileged due to the lack of financial resources (no mission in Geneva, low participation in DSM and informal coalitions etc), multilateral credibility and political deprivation despite the occasional benefits gained by the developing world generally.

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Appendix A adapted from Odell (2007: 11)

The Doha round's first four years 11

Table 1.1 WTO members' trade power, 2004 (shares of world merchandise imports)

Serial no.	Member nations of WTO	Share in world imports (%)	GDP in 2004 (US\$ billions)
1	USA	21.95	11,750.41
2	European Communities (EU)	18.40	12,481.83
3	China	8.07	1,601.02
4	Japan	6.54	4,621.20
5	Canada	3.97	970.34
6	China, Hong Kong SAR	3.93	164.03
7	Korea, Republic of	3.23	667.38
8	Mexico	2.97	663.06
9	Chinese Taipei	2.41	307.48
10	Singapore	2.36	103.62
11	Switzerland	1.60	351.89
12	Australia	1.55	602.75
13	Malaysia	1.51	112.52
14	Turkey	1.40	312.60
15	Thailand	1.37	165.72
16	India	1.37	654.82
17	Brazil	0.95	558.42
18	South Africa	0.79	174.46
19	Norway	0.69	242.82
20	United Arab Emirates	0.68	93.08
21	Indonesia	0.66	222.04
22	Israel	0.62	1,130.03
23	Philippines	0.61	84.21
24	Romania	0.47	67.00
25	Chile	0.36	89.31
26	New Zealand	0.33	92.89
27	Argentina	0.32	144.84
28	Pakistan	0.26	81.85
29	Morocco	0.25	49.29
30	Venezuela (Bolivarian Republic of)	0.25	104.12
31	Croatia	0.24	33.01
32	Colombia	0.24	92.20
33	Bulgaria	0.21	23.80
34	Nigeria	0.20	70.73
35	Egypt	0.18	74.28
36	Tunisia	0.18	28.83
37	Bangladesh	0.17	58.75
38	Kuwait	0.17	51.62
39	Peru	0.14	66.16
40	Costa Rica	0.12	18.28
41	Sri Lanka	0.11	20.00
42	Jordan	0.11	10.71
43	Oman	0.11	24.35
44	Ecuador	0.11	29.00

Appendix B adapted from Odell (2007:15)

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Table 1.2 Changes in trade power, 1984 to 2004

A. Using 1984 country classifications			
	1984 (%)	1994 (%)	2004 (%)
Developing countries	23.69	29.20	30.12
China	1.59	3.20	8.07
Centrally planned and transition countries except China	9.93	3.87	3.76
European Community	17.95	19.48	18.40
High income countries except EC	45.27	40.77	38.29
Subtotal	98.44	96.51	98.64
Territories not classified by the World Bank	1.52	2.27	1.31
Total	99.96	98.78	99.95

B. Using 2004 country classifications			
	1984 (%)	1994 (%)	2004 (%)
Developing countries	18.34	17.41	19.30
China	1.59	3.20	8.07
Centrally planned and transition countries except China	8.94	4.50	3.69
European Community	17.95	19.48	18.40
High income countries except EC	51.31	54.01	50.48
Subtotal	98.13	98.60	99.95
Territories not classified by the World Bank	1.83	0.17	0.00
Total	99.96	98.78	99.95

Source: WTO Trade statistics (1984)

Notes

The upper panel classifies countries into rows according to the World Bank list for 1984. Developing countries are defined as all except European Community, other high income, China, and other centrally planned or transition countries. The World Bank did not classify certain countries in 1984. Among those, Chinese Taipei is included here with developing countries, and Cuba, Kampuchea, Vietnam, North Korea, and former Soviet states are included with centrally planned and transition countries, or as EU members when appropriate in 2004. For comparison, the lower panel uses the World Bank's 2004 classification of countries in all columns, except that the centrally planned and transition countries are grouped together to match the upper panel, rather than scattered among the middle or low income groups.