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Agricultural Negotiations at the WTO: First, Do No Harm

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Introduction

Trade negotiators at the World Trade Organization (WTO) are struggling to meet a self-imposed deadline of December 2005 to agree on the broad outlines of a new trade deal that would cover global commerce in agricultural products, manufactured goods, and a wide array of services. Negotiations in each of these sectors pose tough political and economic challenges for the countries involved, but the key bottleneck is agriculture. Unless the shape of a deal on agricultural trade can be agreed, developing countries will block progress on trade liberalization for manufactured goods and services, the issues of paramount importance to developed countries. Multilateral trade liberalization will stall.

The global chess game of trade negotiations reflects the more fundamental reality of how different economies are structured and how the world's population makes a living. In rich countries, most people work in service industries or manufacturing. Very few make their living through agriculture. In France, for example, less than 3 percent of the population is engaged in farming; in the United States, the figure is less than 2 percent. By contrast, in poor countries agriculture is typically the largest employer. In low-income countries, an average of 68 percent of the population makes its living through farming. Even in middle-income countries, 25 percent of the population is engaged in agriculture. In China, farmers make up about 50 percent of the total workforce, while in India the proportion is about 60 percent. Table 1 shows the percentage of the economically active population that is engaged in agriculture in selected countries. These very different patterns of employment between developed and developing countries explain the broad context for the decision by developing countries to insist that their concerns about agriculture must be satisfied before they will commit to concessions in manufacturing and service sectors in the trade talks.¹

**Table 1. Percentage of the Economically Active Population (EAP)
Engaged in Agriculture for Selected Countries, 2003**
(in thousands of people)

Country	EAP Agriculture	EAP Total	Percent of Agriculture in Total
Kenya	12,422	16,761	74.11
Papua New Guinea	1,982	2,730	72.60
Vietnam	28,582	43,235	66.11
China ^a	510,573	786,475	64.92
Zimbabwe	3,577	5,878	60.85
India	273,515	469,518	58.25
Ghana	5,881	10,476	56.14
Cameroon	3,729	6,662	55.97
Thailand	20,271	37,477	54.09
Indonesia	50,254	108,465	46.33
Cote d'Ivoire	3,118	6,792	45.91
Pakistan	26,173	57,365	45.63
Sri Lanka	3,922	8,791	44.61
Guatemala	2,046	4,627	44.22
Turkey	14,779	33,537	44.07
Bolivia	1,588	3,662	43.36
Philippines	12,818	33,979	37.72
Morocco	4,285	12,668	33.83
Egypt	8,535	27,107	31.49
Nigeria	15,178	49,560	30.63
Honduras	786	2,703	29.08
Peru	3,048	10,549	28.89
Korea (Democratic People's Republic)	3,263	11,676	27.95
El Salvador	781	2,881	27.12
Syria	1,599	6,010	26.61
Iran	6,485	25,782	25.15
Ecuador	1,245	5,215	23.87
Algeria	2,729	11,585	23.5
Tunisia	966	4,110	23.50
Mexico	8,484	43,068	19.69
Colombia	3,682	19,564	18.82
Malaysia	1,768	10,670	16.57
Brazil	12,404	82,506	15.03
Chile	987	6,617	14.92
Argentina	1,458	16,027	9.09
South Africa	1,616	18,771	8.61
Korea (Republic)	2,049	24,882	8.23
Spain	1,165	18,348	6.35
Italy	1,158	25,245	4.59
Japan	2,309	68,201	3.39
France	781	27,059	2.89
Germany	881	40,264	2.19
United States	2,848	150,008	1.89

Source: United Nations Food and Agricultural Organization Online Statistical Database.

^a These figures for the agricultural workforce in China are distorted by the household registration system, which may count workers in the agricultural sector when they are actually migrant workers in other industries in urban areas. Other Chinese statistics suggest that about 50 percent of Chinese workers are actually engaged in agriculture.

The developing countries' position that agriculture must move first in the trade negotiations represents an amalgam of different interests on agriculture among such countries. Developing countries have both offensive and defensive interests in the talks. The offensive interests are centered in the countries that are globally competitive producers of agricultural products, such as Argentina and Thailand. They hope to gain greater access to other countries' markets for their produce, and also to force substantial reductions in domestic and export subsidies that wealthy countries provide to their own agricultural sectors. These subsidies can elicit overproduction and can drive down global prices, hurting developing country exporters. The interest of developing countries in exporting more agricultural products and the inequities in global agricultural trade in sectors such as sugar and cotton have been well publicized.²

The defensive interests of developing countries have received less attention, even though they are arguably more important, not only to their own citizens' welfare but to the stability of the global economy as well. The defensive concern is grounded in the risk that large numbers of subsistence farmers and farmworkers will see their incomes plummet if their countries are forced to reduce agricultural tariffs covering the crops that they grow. This risk arises because producers in other countries may be able to produce the same crops more cheaply owing to economies of scale, greater mechanization, differences in input costs, a more favorable climate, or other advantages in addition to the impact of subsidies. Once developing countries cut their tariffs, the resulting lower cost of imports could reduce poor farmers' already low incomes or drive them off the land altogether. In countries with large numbers of subsistence farmers, such as India or Kenya, it is unlikely that sufficient opportunities would be created in other sectors to absorb these displaced farmers, at least in the short and medium term. As a result, poverty levels would rise and the countries would be worse off. The greater the proportion of the workforce in agriculture, the greater is the risk of such an immiserizing outcome.

Some developing countries have both offensive and defensive interests in the agricultural sector. They may have large-scale or otherwise efficient producers in some sectors *and* large numbers of farmers engaged in subsistence agriculture. For example, Brazil has both huge, highly efficient soybean farms and large numbers of subsistence farmers and landless peasants growing other crops. In terms of employment, it is often the case that the internationally competitive crops are land and capital intensive, not labor intensive. So, even if those sectors grow, total employment in agriculture may decline if trade liberalization allows cheaper imports of the crops that are grown by the more numerous poor farmers.

Agricultural imports have offsetting benefits if they drive down the price of food for consumers. In terms of poverty, if there are more urban poor than rural subsistence farmers, overall poverty could decline because of the improved purchasing power of urban workers' wages. Worldwide, however, far more of the poor are in rural than in urban areas. Table 2 presents the share of rural and urban poor among the population for selected developing countries. Even in those few countries with more urban than rural poor, if displaced farmers migrate to urban areas and compete for scarce jobs there, urban wages might decline as well, again making the country, or at least the poor, worse off. It is the overall equilibrium of the diverse effects of trade liberalization that must be taken into account in assessing the best course for developing countries to take in the trade talks.

Table 2. Rural and Urban Poverty Rates for Selected Countries

Country	Percent of Rural Population Below the National Rural Poverty Line	Percent of Urban Population Below the National Urban Poverty Line	Survey Year
Algeria	16.60	7.30	1998
Bolivia	81.70		1999
Brazil	32.60	13.10	1990
Cameroon	49.90	22.10	2001
Colombia	79.00	55.00	1999
Costa Rica	25.50	19.20	1992
Dominican Republic	42.10	20.50	1998
Ecuador	47.00	25.00	1994
Egypt	23.30	22.50	1995–1996
El Salvador	55.70	43.10	1992
Guatemala	74.50	27.10	2000
Honduras	51.00	57.00	1993
India	30.20	24.70	1999–2000
Jamaica	25.10		2000
Kenya	53.00	49.00	1997
Mongolia	33.10	38.50	1995
Morocco	27.20	12.00	1998–1999
Nicaragua	68.50	30.50	1998
Nigeria	36.40	30.40	1992–1993
Pakistan	35.90	24.20	1998–1999
Panama	64.90	15.30	1997
Papua New Guinea	41.30	16.10	1996
Paraguay	28.50	19.70	1991
Peru	64.70	40.40	1997
Philippines	50.70	21.50	1997
Sri Lanka	27.00	15.00	1995–1996
Thailand	15.50	10.20	1992
Trinidad and Tobago	20.00	24.00	1992
Tunisia	13.90	3.60	1995
Vietnam	57.20	25.90	1993
Zimbabwe	48.00	7.90	1995–1996

Source: *World Development Indicators, 2004.*

The Transition from Traditional Agriculture to Modern Sectors: Sequence and Pace Matter

The process of development necessarily entails the movement of workers from low-productivity, low-income occupations such as subsistence farming to higher-productivity agriculture or to work in sectors such as manufacturing and services. Even under the most favorable domestic and international conditions, however, moving large numbers of people from low-productivity farming to higher-productivity agriculture, manufacturing, and other occupations has taken decades (for example, in Japan and South Korea in the post-World War II era). In India, many sub-Saharan African countries, and elsewhere, the process has moved much more slowly, with majorities still in agriculture after half a century of modernization efforts.

Trade advocates often point to the utility of trade opening as a mechanism to drive forward the process of shifting labor and capital from less productive to more productive uses. However, historical evidence suggests that without complementary policies, trade alone is

unlikely to foster the absorption of large agricultural workforces into more productive modern agriculture or other sectors. If labor is released from low-productivity work in agriculture before there is sufficient labor-demanding growth in other sectors to absorb those workers, the result will not be movement to higher-productivity occupations but rather increasing rural poverty or the growth of low-productivity, informal sectors in urban areas. This pattern has been observed in many developing countries, including Mexico.³

In the agricultural sector, there is an emerging consensus about the measures needed to help subsistence farmers become more productive, to modernize agricultural sectors, and to raise rural incomes.⁴ These measures include making credit available to small farmers on appropriate terms (to weather the volatility of agricultural production and to invest in their land, productive capacity, and improved inputs), the provision of technical assistance to such farmers through agricultural extension services, and the provision by governments of adequate roads and other infrastructure to allow small farmers to get their products to market. Also needed are government policies on taxation, tariffs, and the geographic distribution of health and educational services that do not discriminate against small farmers and rural areas. Forcing poor farmers to compete with global agriculture will not hasten an increase in their productivity if they do not have sufficient land, access to credit, high-yield seed, water, technical assistance, and other necessary inputs. Absent such inputs, reductions in agricultural tariffs would lower prices for the portion of their output that farmers did succeed in selling (by the amount of the tariff cut). That reduction might or might not be offset by changing world prices. For any crop, there may be many countries, both developed and developing, that can produce at lower costs than those of subsistence farmers elsewhere, due to economies of scale, mechanization, superior inputs, climatic conditions, government subsidies, or a range of other factors.

If trade displaces subsistence farmers, will they find work in other sectors? In manufacturing, the current environment is very challenging. There is currently a glut of capacity and labor supply in the global production system, especially in labor-intensive, low-skill manufacturing. In sectors such as textiles, apparel, toys, furniture, and simple electronics, the integration of the Chinese labor force into the global production system over the last decade has attracted additional investment in production facilities there, while global demand for these goods has not grown at a commensurate pace. The result has been intense competition among developing countries for available orders and generally falling prices. In the case of textiles and apparel, the end of the global quota system in 2005 has ushered in a period in which most developing countries will see their share of global markets for those goods shrink, not expand.

In service sectors, employment opportunities created by liberalized trade are typically out of reach for poor farmers because of education, health, and mobility constraints that poor rural households commonly face. In India, for example, the dramatic increases in service sector industries and jobs have improved prospects for some urban dwellers, mainly those with tertiary education, but have had virtually no impact on rural poverty and unemployment.

Poor farmers who are displaced will find alternative incomes out of necessity, since most developing countries have no unemployment schemes or other social safety nets. However, history shows that those alternatives will most likely take the form of low-productivity work in the informal sector, or emigration.

Why the Industrialized World Should Care

Wealthy countries have strong reasons to be concerned about subsistence farmers in developing countries for reasons of economic self-interest, basic decency, and global stability and security.

The broad economic self-interest of developed countries lies in a stable and expanding global economy. Global growth is impeded in a world where almost half of the population—2.735 billion people—live in poverty (on less than \$2 a day), with little ability to purchase the goods and services produced by developed countries. With seventy percent of the developing world's poor living in rural areas, improving the incomes of small-scale farmers is an essential step toward achieving a world of higher, sustained growth and consumption.⁵

More immediately, it is unlikely that wealthy countries will be able to conclude a new round of trade liberalization unless the agricultural concerns of developing countries are sufficiently addressed. (See box on agriculture in trade talks.) These agricultural concerns encompass both market opening for competitive products *from* developing countries and an acceptance that countries with large numbers of subsistence farmers should not be forced to open their markets for the products small-scale farmers produce.

Extremes of poverty and increasing poverty in numerous countries call into question the decency and acceptability of the global economic system. In sub-Saharan Africa, the number of extremely poor people (those living on less than \$1 per day) almost doubled, from 164 million in 1981 to 313 million in 2001, and their average income also fell, from 64 to 60 cents a day.⁶ They are overwhelmingly concentrated in subsistence agriculture.

Agriculture: The Choke Point of Global Trade Talks

Basic disagreements over agriculture prevented the launch of global trade talks in Seattle in late 1999. In November 2001, in the wake of the attack on the World Trade Center, and riding a wave of global solidarity, negotiators meeting at Doha, Qatar managed to launch such a new round, but only with the concession by rich countries to the developing world that the central organizing principle of the talks would be to enhance development prospects through trade opportunities. The resulting Doha “development round” of trade negotiations began with real optimism, but nearly collapsed in a new standoff between developed and developing countries at a ministerial meeting in Cancun, Mexico in August 2003. Once again, the key disagreement was over agricultural trade. Negotiations were laboriously resuscitated by summer 2004 through a framework agreement in which the developed countries recommitted to the development dimension of the trade round. The new deadline of December 2005—when trade ministers will meet in Hong Kong—requires the vague commitments of the framework to be translated into concrete “modalities” that lock in the pattern and relative depth of concessions that countries will make in each sector as part of a grand bargain, with the details to be filled in through later negotiations. Once again, agriculture is the pivotal issue.

Finally, with respect to global stability and security, a world in which poverty is rising in a significant number of countries is less politically stable. Political volatility in the Andean region and in many parts of Africa has coincided with increases in poverty. And, while there is no direct causal link between poverty and extremism, it cannot be ruled out that political instability, fueled by rising poverty, may provide opportunities for extremist groups.

Countries that have seen increases in rural poverty and in which extremist groups have been active include Indonesia, Kenya, Morocco, Pakistan, and Sierra Leone.⁷

Current State of Negotiations over Developing Countries' Defensive Agricultural Interests

The negotiated agreement that launched the current round of trade talks in Doha, Qatar in 2001 promised to address developing country agricultural issues under the rubric of “special and differential treatment,” without committing to any specific measures. A draft text proposed at the ministerial meeting in Cancun in 2003 (agreed in advance between the United States and European Union) required that all developing country agricultural products, including “special products” of defensive interest, would require some tariff cut. The proposal was rejected by developing countries, over both offensive and defensive agricultural issues, and the talks collapsed. They were revived through a framework agreement on August 1, 2004.⁸ That framework took a further step in the direction of recognizing developing countries' defensive interests. An annex creates a “Framework for Establishing Modalities in Agriculture,” which reads in relevant part:

“[T]he modalities to be developed will need to incorporate operationally effective and meaningful provisions for the special and differential treatment for developing country Members. Agriculture is of critical importance to the economic development of developing country Members and they must be able to pursue agricultural policies that are supportive of their development goals, poverty reduction strategies, food security and livelihood concerns.” (Annex A, Para. 2)

Developing countries successfully insisted on inclusion of the following language:

“Developing country Members will have the flexibility to designate an appropriate number of products as Special Products, based on criteria of food security, livelihood security and rural development needs. These products will be eligible for more flexible treatment. The criteria and treatment of these products will be further specified during the negotiation phase and will recognize the fundamental importance of Special Products to developing countries.” (Annex A, Para. 41)

The call for “more flexible treatment” is intentionally vague, reflecting continued disagreement over whether such products will be exempt from any further liberalization under this round of trade negotiations or will merely benefit from smaller tariff cuts or quota increases. This question, and the criteria for designating special products, form the crux of current negotiations on the defensive interests of developing countries.⁹

How to Operationalize Special and Differential Treatment for Small-Scale Agriculture in Developing Countries

Negotiators at the WTO must acknowledge the pivotal importance of the employment intensity of agriculture in developing countries in negotiations over criteria and treatment for “special products.” (This could also be termed “livelihood intensity” since the term

“livelihood” rather than “employment” is used in the WTO negotiating documents.) This concept captures a key and specific characteristic of developing countries that requires special consideration, namely, the high proportion of their workforce engaged in agriculture. It also distinguishes the situation of developing countries from that of the developed world, where only a miniscule share of the workforce is engaged in agriculture.

Developing countries should be allowed to designate as “special products” all crops that are cultivated by their small-scale farmers and farmworkers. These products should be exempted from any further reductions in tariffs or increases in import quotas. It is important that all crops cultivated by such farmers be covered by this special treatment, as the farmers’ livelihoods usually depend on a balance and interchangeability among different crops, depending on climatic and market conditions. There should be no numerical limit on the number of products that can be designated, provided they are cultivated by small-scale farmers and farmworkers.

Developing countries with large numbers of small farmers and farmworkers must be allowed to retain the policy space necessary to avoid the displacement of agricultural livelihoods before there are alternative economic opportunities to absorb those displaced. This does not imply that they will necessarily utilize this policy space with respect to all subsistence crops. It is entirely possible that governments might choose to apply lower tariffs or higher quotas in practice, as harvests vary, world prices change, and farmers gradually migrate out of agriculture. However, these determinations must be left to national policy makers who are both familiar with and democratically accountable to their own populations. It is not appropriate for international trade negotiators to restrict this critical policy space.

Alternative approaches, such as allowing developing countries to make smaller tariff reductions on a limited number of special products or allowing longer transitional periods to implement tariff cuts, do not offer adequate flexibility for countries with significant labor concentration in small-scale agriculture. As historical experience shows, the transition from agriculture to other economic activities takes decades, generations, or longer to accomplish. That transition will not be completed in most developing countries during the time horizon of the current negotiations. Further, it is unlikely that this round of negotiations will eliminate all support by wealthy countries for their own agricultural sectors, or that wealthy countries will open their markets fully to imports of developing countries’ agricultural products. As a result, the developing countries that are managing an agricultural transition must have wide policy flexibility.

Who Would Oppose Such an Approach?

Global actors who would benefit from increased access to developing countries’ markets for the products now grown there by subsistence farmers, such as grain trading firms and governments that depend politically on the support of large-scale agricultural exporters, will undoubtedly oppose this approach out of self-interest. However, some economists argue that continued protection for subsistence agriculture will hurt developing countries.

The most common economic argument is built on three related propositions: (1) global agricultural prices are held down by overproduction by subsidized farmers in wealthy countries; (2) if these subsidies are eliminated, global agricultural prices will rise; and (3) rising prices for agricultural crops will benefit small farmers. On examination, each of these propositions has limitations. Large subsidies by countries with substantial production

capacity undoubtedly influence global agricultural prices. But prices are set by the combination of global supply and global demand. Factors other than subsidies, including climate, also have profound and sometimes volatile impacts on global supply. Global demand is also in flux. For example, the Asian financial crisis reduced demand and sent global prices down. Recent rapid growth in China has stimulated demand for some crops, such as soybeans, driving prices up. Future economic cycles and shocks can be expected to influence global prices separately from subsidies. If subsidies are reduced, farmers in other countries with underutilized land endowments may increase production, keeping global supply from falling. The assumption that food prices will increase and remain at higher levels is borne out neither by theory nor by the historical patterns for commodity prices, which generally have shown long-term declining trends. The proposition that the rural poor will benefit from higher world prices is also problematic. In practice, economies of scale and the role of marketing intermediaries mean that much of the benefit of any price increases that do occur will flow to large-scale farms and trading firms rather than to the rural poor. Small-scale farmers typically have little access to world markets to export their crops. Areas where the poor are concentrated frequently suffer from inadequate infrastructure, such as roads to markets and ports. As a result of these factors, subsistence farmers may not be able to take advantage of export opportunities, while they will suffer if imports displace their products in local markets.

Developing countries must also factor in some degree of uncertainty as to whether commitments by wealthy countries to scale back subsidization and allow greater market access will actually be realized. For example, Mexico won a commitment from the United States to allow it to increase sugar exports as a part of the North American Free Trade Agreement (NAFTA). The United States later reneged, however, leading to a decade-long standoff over trade in sugar and high-fructose corn syrup. In such a standoff, the less affluent, less diversified economy is likely to suffer far graver consequences. The United States also changed its domestic subsidy policies several times after NAFTA took effect, distorting the price of crops like corn compared to the assumptions that were made during negotiations. In the United States, highly subsidized farm groups continue to be a potent political force that resists any significant changes in agricultural subsidies, quotas, and tariffs. Several of the crops of most interest to developing countries, such as sugar, rice, cotton, corn, and other grains, are grown in politically pivotal states that determine which political party holds a congressional majority. Similar political interest groups wield significant power in the European Union. Developing country policy makers must factor in this uncertainty before they bind themselves to irreversible commitments through the trade negotiations.

Another line of argument is based on the assumption that failing to liberalize trade will simply prolong developing countries' dependence on low-productivity agriculture. There is no question that long-term development and poverty alleviation require that low-productivity farmers move into higher-productivity occupations. However, this equation requires not just the phasing out of small-scale agriculture but the contemporaneous creation of more productive job opportunities elsewhere in the economy. Countries that have experienced successful long-term development, at tolerable transitional adjustment costs, have been those that were able to grow fast enough in other sectors to gradually absorb excess agricultural labor. Migration of labor off the farm has produced positive outcomes (in terms of poverty alleviation) when it has been driven mainly by the pull of opportunities for better jobs in nonagricultural sectors, as has occurred in China. When rural-to-urban migration has been driven primarily by worsening poverty in rural areas, the creation of large, low-paid informal sectors and urban shantytowns has been the result.

A related argument is that failing to liberalize agriculture will lock poor countries into dependence on agricultural commodities, which are volatile and generally have experienced declining long-term trends. The proposal suggested here does not lock such countries into the agricultural sector. Rather, it gives them the policy autonomy to make decisions on agriculture and rural policies that are appropriate for their level of development and changing circumstances. They are free to accelerate agricultural liberalization as the sector evolves and farm labor is attracted to other sectors. This argument, in any case, depends on the historical trend of falling farm prices, whereas most proponents of agricultural liberalization argue that farm prices will rise.

A final argument is that developing countries will gain more from the liberalization of their own markets (collectively) than from that of wealthy countries. A much cited World Bank study released before the Cancun ministerial meeting made that claim.¹⁰ However, more recent studies, including the most recent modeling exercise by the World Bank, find the opposite result.¹¹ In fact, the recent study by the World Bank finds that most developing countries see a greater improvement in their net food trade (exports minus imports) if rich countries liberalize their agricultural markets but developing countries do not. In that scenario, developing countries as a group would gain an additional \$142 billion from improved export of agricultural products. By contrast, if developing countries join rich countries in liberalizing their agricultural markets, the biggest winner in terms of redistributed farm income will be the United States, followed by gains for Argentina, Brazil, and other Latin American countries, Australia, and New Zealand. Sub-Saharan Africa would experience small gains, while China, India and the rest of South Asia would be net losers.¹²

What Happens Next

One reason why the central development and employment significance of the Doha Round talks on agriculture has not received adequate attention is that trade negotiators typically are not focused on (or even concerned with) their countries' overall labor markets and household incomes. In both developed countries and many developing countries, trade negotiators tend to be most familiar with the aggressive market-opening interests of their most competitive sectors and the defensive concerns of politically powerful domestic constituencies. The broader needs of their economies, in terms of employment growth and household incomes, are assumed to take care of themselves if the interests of competitive or powerful sectors are addressed in the trade talks. This mercantile character of trade negotiations is a major reason for the unbalanced and disappointing outcomes of previous multilateral and regional trade pacts. In developing countries, this disconnection of trade negotiating strategies from overall development, growth, and income concerns carries the risk of producing development and poverty disasters.

There are two important developing country trade negotiating blocs that can correct this situation with respect to defensive agricultural issues. The group that is most apt to do so is the G-33, a bloc that was formed at the 2003 WTO ministerial meeting in Cancun precisely to address the defensive agricultural interests of developing countries.¹³ The G-33 has advocated a broad-based right for developing countries to be able to designate special products based on food security, livelihood security, and rural development needs. The other group that should play an important role is the G-20, formed in anticipation of the WTO ministerial meeting in Cancun. The G-20 is united primarily around the offensive agricultural interests of developing countries.¹⁴ However half of the members are also part of the G-33, and beyond this common membership, the reputation of the G-20 as a leader of the

developing world will be significantly enhanced if it advocates for the needs of countries with large numbers of subsistence farmers.

Many developing countries will continue to have large, labor-intensive agricultural sectors for the foreseeable future. The goal is not to delay their transition to a modern agricultural sector and the development of modern manufacturing and service sectors. Rather, it is to preserve for the countries themselves the autonomy and policy flexibility to manage this transition in ways that are appropriate and feasible for their own specific circumstances.■

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Notes

¹ The forty-nine least developed countries are not the subject of this debate, because WTO members have already agreed that the least developed countries will not be required to make tariff cuts in order to enjoy the multilateral liberalization that results from the Doha Round.

² For example, the Oxfam “Make Trade Fair” campaign, available at www.oxfam.org/eng/programs_camp_mtf.htm.

³ Sandra Polaski, “Jobs, Wages and Household Income,” in *NAFTA’s Promise and Reality: Lessons from Mexico for the Hemisphere*, ed. John Audley et al. (Washington, D.C.: Carnegie Endowment for International Peace, 2004).

⁴ See, for example, World Bank, *Beyond the City: The Rural Contribution to Development* (Washington, D.C.: World Bank, 2005).

⁵ World Bank, *World Development Indicators* (Washington, D.C.: World Bank, 2005).

⁶ Ibid.

⁷ Ibid.

⁸ Available at www.wto.org/english/tratop_e/dda_e/draft_text_gc_dg_31july04_e.htm.

⁹ A “special safeguard mechanism” to deal with future surges of agricultural imports or price volatility (after tariffs are reduced or quotas are increased) is also under consideration.

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- ¹⁰ World Bank, *Global Economic Prospects and the Developing Countries 2002: Making Trade Work for the World's Poor* (Washington, D.C.: World Bank, 2002).
- ¹¹ See, for example, William Cline, *Trade Policy and Global Poverty* (Washington, D.C.: Center for Global Development and Institute for International Economics, 2004); Organization for Economic Cooperation and Development, *The Doha Development Agenda: Welfare Gains from Further Multilateral Trade Liberalization with Respect to Tariffs* (Paris: OECD, 2003); World Bank, *Global Agricultural Trade and Developing Countries* (Washington, D.C.: World Bank, 2005).
- ¹² World Bank, *Global Agricultural Trade and Developing Countries*, pp. 124–25.
- ¹³ There are currently forty-two members of the G-33: Antigua and Barbuda, Barbados, Belize, Benin, Botswana, China, Congo, Cote d'Ivoire, Cuba, Dominican Republic, Grenada, Guyana, Haiti, Honduras, India, Indonesia, Jamaica, Kenya, Republic of Korea, Madagascar, Mauritius, Mongolia, Mozambique, Nicaragua, Nigeria, Pakistan, Panama, Peru, Philippines, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Senegal, Sri Lanka, Suriname, Tanzania, Trinidad and Tobago, Turkey, Uganda, Venezuela, Zambia, and Zimbabwe.
- ¹⁴ The G-20 currently has nineteen members: Argentina, Bolivia, Brazil, Chile, China, Cuba, Egypt, India, Indonesia, Mexico, Nigeria, Pakistan, Paraguay, Philippines, South Africa, Thailand, Tanzania, Venezuela, and Zimbabwe.