

AT THE FRINGES OR CENTER STAGE?

Repositioning WTO

Developing Countries in

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Multilateral trade negotiations and structures have been changing rapidly—to the disadvantage of developing countries. This is the insider's perspective of a direct participant in the process, Bhagirath Lal Das. He calls for developing countries to work together more, identify their common interests and strengths, defend themselves against exploitation, and place their own agenda at centre stage in international trade and economic arenas. Mr. Das was formerly Permanent Representative of India to GATT and then Director of International Trade at UNCTAD.

THE WORLD TRADE ORGANISATION (WTO) has assumed a pivotal role in the global economy and the affairs of individual countries. Its reach is getting deeper and wider. From its traditional domain of export and import of goods and the related disciplines covered by the General Agreement on Tariffs and Trade (GATT), it has now spread to services and intellectual property rights (IPRs), thereby having a significant impact on the production process. And there are moves afoot to expand its role to cover yet other areas. This would have serious implications for the entire development process, particularly in the developing countries.

The WTO is fast enveloping the countries of the world in an economic framework largely devised and influ-

enced by the major industrialised and developed countries. Though a large number of developing countries are in the WTO, they seldom have an effective role in guiding its course. Even earlier in the GATT, the developing countries hardly ever had a decisive role.

This paper discusses a twin trend: the ignoring of the basic interests of the developing countries by the GATT/ WTO system, and the extraction of significant concessions from them. It identifies reasons for these trends and makes some suggestions for improving the situation.

TRENDS IN THE PAST

Weak foundation

The problems for the developing countries in relation to the GATT/WTO go

back to the foundations of the system. Both GATT and the Marrakesh Agreement Establishing the WTO recognise such noble objectives as raising standards of living, ensuring full employment and enhancing real income. They also mention “reciprocal and mutually advantageous arrangements” for reduction of tariffs and other barriers to trade as the means to achieve these objectives.

Any “reciprocal” arrangement can be useful among countries at almost similar levels of development. But it is very much deficient when countries with a wide spectrum of development levels are involved. In such a situation, the group of highly developed countries almost inevitably gain more, and those at lower rungs of the ladder are marginalised. There may be sporadic and small gains for them here and there, but their core concerns will perhaps never come to centre stage. This is precisely what has happened in the GATT/WTO system.

Rules ignored in specific sectors

The problem goes beyond a built-in structure that generates less benefit to weak trading partners, like the developing countries. In addition, major developed countries have taken some deleterious actions in specific sectors. This produced severe adverse effects for a large number of developing countries.

It started in the middle 1960s, when the textiles industry in the major developed countries found itself unable to compete with imports from developing

countries. This could have led in one of three directions. First, if the normal free play of market forces were allowed to run its course, the result would have been closure of these industries or their readjustment to the new competitive situation. But the major developed countries did not allow that to happen. The second alternative was to take recourse to the safeguards provision of the GATT. But this would have involved taking restrictive action on textile imports on a global basis, including imports from other developed countries. The major developed countries did not adopt this approach either.

Instead, following a third route, they decided simply to ignore the normal rules of the GATT, and introduced a completely separate trading regime in the textiles sector, popularly known later as the Multi-Fibre Arrangement (MFA). Totally contrary to the letter and spirit of GATT, this system restrained the import of selected textiles from the developing countries. The developing countries were persuaded and pressurised into agreeing to it, with an understanding that MFA would be temporary. In reality, the system continued until the end of 1994, and even after that, its restrictions have continued. The developing exporting countries suffered major loss of production and export prospects because of this discriminatory regime against them.

Discrimination was not limited to textiles. In the 1970s, the major developed

countries introduced special restrictive regimes in the leather sector as well, again targeted mainly against imports from developing countries. The steel sector was also covered by a restrictive regime in some developed countries which curtailed the production and export prospects of some developing countries.

Similar restrictive measures were taken in some sectors, adversely affecting even very poor countries. For example, the import of jute products was curtailed in some major developed countries, which harmed the growth prospects of Bangladesh whose economy was heavily dependent on this sector.

Bilateral pressures for other commitments

In addition to this direct curtailing of imports from developing countries, pressures were also exerted to restrict their discretion in the area of subsidies which they used to encourage their industry and trade. The Tokyo Round Code on subsidies had recognised that subsidies were normal means adopted by developing countries for the growth and diversification of production and trade. But immediately after the Code was formulated, the US started a major drive of bilateral negotiations with developing countries; it asked them to commit themselves to limit subsidies, which they would otherwise have been justified to continue in accordance with the Code. What had not been achieved through the multilateral route was sought bilaterally.

RECENT TRENDS

Broad objectives of major developed countries

Recent trends are more disconcerting. The major developed countries are trying to achieve their objectives in the WTO with aggressive initiatives and determined pursuit going much beyond merely opening markets for their goods. They are pushing hard to expand the economic space for their manufacturers, traders, service providers, innovators and investors. Opportunities in their own economies are very limited, given their low population growth and sluggish GDP growth. They find the developing countries highly attractive as markets for their goods and services and for higher returns on their investments. Here the current consumption is low and the population is large, so any slight increase in per capita income is likely to boost demand significantly. Besides, those developing countries which are on a fast growth path can provide enhanced opportunities for the fast-growing technology and intellectual property of the developed countries.

All this would have resulted in an excellent opportunity for cooperation among the developed and developing countries in pursuit of their mutual benefits. But the developed countries, particularly the major ones, are now displaying new confidence in their own capabilities, and not giving much premium to the role of developing countries in

their growth and progress. The times of the 1960s and early 1970s, when developed countries looked on developing countries as development partners, are no more. Now they consider the developing countries merely as geographical areas which should be utilised for the benefit of their own economic operators. Towards this end, they have been using the WTO quite effectively.

New areas of discipline

In their new energetic approach, the major developed countries are seeking to add new disciplines into the GATT/WTO framework. As previously noted, they started with service sectors

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and minimum standards of intellectual property rights. Developing countries hardly gain anything by the disciplines in these new areas, but must discharge their obligations in these areas at the pain of cross-retaliation on their goods trade.

The process of expanding the scope

of the WTO framework goes still further. The developed countries are seeking to evolve rules for the freedom of operation of their investors and traders in other countries. At the same time, they are also trying to introduce rules which may curtail the production and trade of developing countries on the grounds of protection of the environment and observance of social clauses.

Some specific examples will characterise the recent disturbing trends in the WTO framework.

- The developed countries have pushed ahead to liberalise service sectors of deep interest to them, such as financial services and telecommunication services. Generally the developing countries have no export interest in these sectors, so the benefits will flow almost exclusively to the developed countries.
- Similarly, trade in information technology has been liberalised as a result of a surprise agenda item in the Singapore Ministerial Meeting of December 1996. Then in the Geneva Ministerial Meeting of May 1998, agreement was reached on a standstill in customs duty on a specific mode of trade—electronic commerce. Since developing countries hardly export information technology and have little export through electronic commerce, the exclusive beneficiaries of these disciplines will be

the developed countries.

- The General Agreement on the Trade in Services (GATS) in the WTO allows flexibility to the developing countries to liberalise fewer sectors and fewer transactions in services. And yet, the major developed countries insisted on high concessions from the developing countries, particularly in the financial services. For example, South East Asian countries faced persistent demands to liberalize the entry and operational conditions of foreign financial services. In fact, the US refused to join at first, mainly because it was not satisfied with the concessions made by these developing countries. And later in the final round of negotiations, intense pressure was put on some developing countries to open up their markets in this sector, much beyond what they were prepared to do.
- The GATT 1994 Agreement (in its Article XVIII B) allows developing countries to restrict their imports in case of balance-of-payment problems. Recently a large number of developing countries have had to disinvoke this provision under intense pressure from major developed countries.
- At the time of accession of developing countries to the WTO, concessions have been demanded which go beyond the obligations in the WTO agreements. In fact,

some developing countries have been totally denied the few special dispensations that developing countries still have in WTO agreements. For example, Ecuador was denied this status, and thus it was not allowed the flexibility of time, normally allowed to developing countries, for implementing the Agreement on TRIPS.

- The provision for possible unilateral trade action still continues in the US legislation, and various developing countries are targeted in this regard. Even though trade restrictions may not be ultimately applied, such threats do result in creating uncertainties and disrupting the fragile trade links of developing countries.
- On their side of the bargain, the developed countries have not shown willingness to liberalise their imports in sectors which they consider sensitive. A glaring example is the implementation of the Agreement on Textiles and Clothing. This Agreement has an annex containing a large list of textile products. At different stages, individual developed importing countries have to bring some of these products within the normal WTO disciplines. The obligation is that by the beginning of 1998, they should have covered by such liberalisation the products accounting for 33 per cent of their

imports of the products in the list. While implementing this provision, the developed countries have chosen mostly such products which have been restrained. By the beginning of 1998, they have covered only about 7 per cent of the restrained products. Thus, in actual practice, liberalisation has been done only to the extent of less than one fourth of what should reasonably have been done. They have defended themselves by taking recourse to the technicality that they have the discretion to choose the products from the list. In this manner, while fulfilling their obligation strictly in a technical sense, they have not brought about any significant liberalisation in this sector which is important for the developing countries. Further, major developed importing countries have resorted to new restrictive actions in a big way by directly limiting textile imports and by anti-dumping actions. All this shows that they are not reconciled to their commitment in the Uruguay Round that the textile sector will ultimately be freed from the special restrictive regime they had imposed on developing countries, in derogation of the normal GATT rules, as explained above.

For various reasons, the developing countries have been making concessions

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in the WTO without insisting on any reciprocal concessions. This has become so much the practice, that it is now accepted as a normal process, and any resistance to it is considered as undesirable obstruction. It is totally against the rational approach in the GATT/WTO system, where reciprocity is the basic instrument and strategy, as mentioned earlier. No developed country ever gives up any right or makes a concession without getting at least a commensurate concession in return. But the developing countries, as a token of good will or under pressure, have been frequently making one-sided concessions. Some examples of important concessions made by developing countries in favour of developed countries, without any significant concessions in return, are given below.

- Developing countries that were signatories to the Tokyo Round Code on subsidies have a right to use subsidies, subject to the conditions mentioned in the Code. Other developing countries have that right under Article XVI of

GATT 1994. In the Uruguay Round agreement on subsidies, they have lost these flexibilities. Those with GNP per capita equal to US\$1000 or above have agreed not to have any export subsidies after 31 December 2002. All developing countries, excluding the least developed countries (LDCs), have agreed not to have any import substitution subsidies after 31 December 1999. The LDCs have agreed not to have any import substitution subsidy after 31 December 2002. Since the developing countries may need to use subsidies so as to reduce the natural handicaps of their production and trade entities, these are important concessions.

- A major concession made by developing countries in negotiating the Uruguay Round was the inclusion of services and intellectual property rights (IPR). Then a further important concession was made by agreeing to a framework for the liberalisation of services and to a set of minimum standards for the protection of IPR. The sole beneficiaries have been the developed countries, as developing countries hardly needed any liberalisation of services in the developed countries, nor had they any need of enhancing IPR protection in those countries. The enormous dimensions of these concessions

are now becoming more apparent. The developed countries have treated these openings in the WTO system only as the beginning. They now want similar treatment for several other subjects that interest them, such as investment, social clauses, and good governance.

- Even in the post-Uruguay Round phase, the developing countries have continued to make concessions and give away their rights in the WTO without any return whatsoever. As mentioned earlier, there have been agreements on zero duty for information technology, and on a standstill, which actually amounts to zero duty, for electronic commerce—areas where developing countries have hardly any export interest. The sole beneficiaries, therefore, are the major developed countries.

In international trade, as perhaps in any area of international relations, making concessions may not be wrong in itself. What is abnormal and totally inexplicable, however, is not to insist on getting commensurate concessions in return. In international economic relations, one acquires rights through a tortuous process of negotiations. To surrender such a right, or undertake a new obligation without a reciprocal benefit from the other side, is totally alien to the process of international economic negotiation.

A counter argument may be that

there are no "sides" in multilateral negotiation; it is all an exercise of finding an overall balance. Following this argument, one sees a total imbalance when the agreements amount to giving up rights and assumption of new obligations by a large number of participating countries without any patent gains.

REASONS FOR THE WEAKNESS OF DEVELOPING COUNTRIES

There are both basic and operational reasons for the weakness of developing countries in international economic negotiations in general, and in the WTO in particular.

Basic reasons

To go to the root of the basic reason, one should first consider the sources of power and strength in this area: political and strategic strength, economic strength and the weight of numbers. With the possible exception of a very few countries, developing countries as a group do not have the first two sources. They have to depend on the third source of strength, but there has been no inclination among them to use it.

In the capitals of many developing countries, there is a lack of political vision regarding the need for solidarity. Some feel that they will be better served by strengthening their links with the major developed countries and appeasing them, rather than by a process of consolidation with other developing countries. A few among them have the

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notion that they are important enough to get better deals and more support from developed countries if they go it alone rather than in a group with other developing countries. A large number of the developing countries feel frustrated as they individually are too small to be effective and see no prospect of developing countries' solidarity and economic cooperation emerging in the near future, particularly in the WTO context.

Yet another factor is relevant. Several developing countries which had taken the lead in forging solidarity have been facing serious domestic problems in political as well as economic areas. Attending to these problems is their first priority. They do not currently have much aptitude for an effective role at the international level.

Operational reasons

Descending from any expectation of greater solidarity among the developing countries, one can still see that working together in pursuit of their common objectives is relevant in limited areas for some countries. But even that is not a common practice.

The main operational reasons for the weakness of developing countries in the

WTO are lack of preparation, lack of adequate resources, general lack of concern in some cases, and intangible fear. These need to be elaborated.

Taking the last item first, most developing countries hesitate to annoy the major developed countries for fear of adverse economic and political implications. When major developed countries consider subjects important, they exert intense bilateral pressures on those developing countries which can be potential "spoilers of the game." Developing countries very often yield to these pressures.

Several of them feel that their economic prospects depend a good deal on relationships with the developed countries and try to avoid any irritant. The developing countries generally do not like to take a confrontational approach. There is a vague fear that the wrath of the economically powerful countries can have evil consequences.

Intense pressure from major developed countries on specific issues normally generates fear among individual developing countries, or groups of them, which sometimes translates into lack of concern for each other. Very seldom do countries of the South in general provide effective support to a developing country which is under attack and in need of peer support. Sometimes a few of them make supportive statements, but rarely do they influence decisions in an effective way.

On individual issues, some developing countries occasionally join a specific

coalition with developed countries, yielding some gains which might not otherwise have been possible. This process has proved to be particularly effective in agriculture. However, the risk is that these developing countries may not find enough enthusiasm and support among other developing countries on other issues.

Of course, the most important operational reason for the weakness of the developing countries is their inadequate resources and lack of preparation, as will be elaborated in the next section.

TASKS AND STRATEGIC STEPS AHEAD

Given these reasons for the weakness of developing countries, what should be done to improve the situation? The reasons themselves suggest the tasks ahead for improving basic approaches and adopting some strategic steps. The key sequence of action for developing countries is to identify their interests, make thorough preparations in pursuit of those interests, pursue them jointly and in as large a number as possible, and in this process, make full use of their negotiating leverage.

Identifying interests and needed structure

Sadly, the developing countries have seldom identified their positive interests in the GATT/WTO system; however, they have been quite quick in identifying what is not in their interest. Perhaps the reason for this negative approach can be traced

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to the very functioning of the system. Generally the major developed countries have taken all the lead in putting up proposals. The developing countries have primarily used their energy and resources to analyse these proposals from their own angle, often finding them to be contrary to their own interests. They have naturally responded with a defensive approach, and often with a negative note. Of course, absence of prompt defense against some of these initiatives would have been very harmful. But limiting their energy to defense will not bring them positive benefit. To derive real benefit from the system, developing countries need to make positive proposals which would serve their interests.

In this continuing process, each country has to establish an appropriate institutional structure for identifying its positive interests and formulating the response to the serious proposals of others. Traditionally, the subject of GATT/WTO has been handled in different countries by the Ministry of Foreign Trade, or Foreign

Affairs, or International Economic Relations. However, these days the subjects and implications of international proposals and agreements are too deep and broad to be within the jurisdictional, technical and professional competence of any one ministry in the government.

Further, most proposals and issues pose a clash of interests among the various interest groups in a country. For example, import liberalisation of a particular product may be against the interest of its producers but will benefit consumer or user groups, at least in the short term. Similarly, totally free entry of investment may benefit manufacturers and traders, who need additional funds; but it may have adverse implications for the domestic investors, the balance of payment situation, the regional balance of development, etc. In evolving a national position on a WTO issue, policy analysts must examine closely the implications for different interest groups and then arrive at a balanced stand from the angle of the interest of the country.

This task is difficult for any one ministry in a government to do through its normal process of analysis and examination. Instead it may be preferable to use a commission type of body, which will not be accountable to any one ministry. This body could draw on expertise, information, analysis and other support from various ministries concerned. It may need the support of some universities and research institutions in the country, working jointly or in a division of respon-

sibilities, depending on the need. It would make its recommendations to the decision-making levels of government.

Naturally, the commission will have close interaction with industry and trade organisations and other interest groups, and take their views into account. Governments often consult with the apex bodies of industry and trade, but considering the complexity of WTO subjects and issues, the commission may need to consult also with the lower levels and with the organisations of individual sectors or activities.

It is necessary to have wide public debates and discussions on important issues and to involve and inform the press and other media.

When interests have been identified and positions formulated through such a comprehensive and transparent process, the result is greater strength for pursuing and promoting those interests in bilateral or multilateral discussions. Negotiators can operate with full confidence and conviction. There will also be a safeguard against any weakening in the negotiating process.

Preparation

After identifying interests and formulating positions, the next step is to prepare for formally or informally placing the proposals into the appropriate forum at an appropriate time. To make the proposals convincing is a dynamic process. Negotiators have to be prepared with counter-responses to the opinions and arguments

other parties will present. And fall-back positions have to be worked out. In this difficult process, thoroughness and speed are essential. Here again, close collaboration is necessary with trade and industry representatives and with universities and research institutions.

Coordination with other countries

The next step is to seek coordination with other developing countries. In fact, in some cases, such coordination may be useful even in the stages of identification of interests and preparations. Any country acting by itself, is generally ineffective in the WTO, except if it is a major developed country. Countries with similar interests in specific subjects should come together to put forth proposals and pursue negotiations. Ideally all developing countries would come together on some subjects, at least in a few critical cases.

Some developing countries, having common interests and approaches in a number of subjects, may even divide up the responsibility for analysis and preparation on different subjects. They could even set up linkages among their relevant universities and research institutions for study and analysis in various subjects. Of course, findings by one country or research consortium must still pass through national processes of examination and consideration in partner countries; but a lot of labour and effort is saved if the initial work is shared.

Coordination among developing countries in the WTO involves an impor-

tant process of mutual support. A healthy practice is for developing countries to support each other's proposals and positions, so long as it does no harm to national interests, rather than remaining neutral or silent on an issue. In this way, developing countries will gain strength of numbers, which each one may need at some time or another.

Participation in meetings and discussions

Once all these steps have been taken, it is important for countries to speak out clearly, firmly and boldly in formal meetings and informal consultations under the WTO multilateral process. In bilateral negotiations, the other side would generally coax a country into speaking and making its position known. In multilateral negotiations, a country is not forced by others to speak; but it is totally ineffective if it does not speak. A country that keeps silent is just ignored, and decisions are taken without considering its views.

Countries which oppose important moves of major developed countries may face threats of trade measures being instituted against them. But such threats cannot be carried out. Trade measures can only be taken against a country, including a developing country, if it is found to be violating its existing WTO obligations. No such measure can be taken for refusing to take up new obligations or for refusing to negotiate new issues. Any threat of trade action in such

cases, issued covertly or overtly, is unjustified and entirely unenforceable. A developing country need have no fear on this account at all.

Often a developing country having the courage to oppose some proposals it considers harmful is subjected to well-orchestrated criticism that it is isolated in the WTO. Of course, support for one country's stand by some other countries is always welcome, but there is absolutely no harm in being isolated in the WTO, where a country has to look after its national interest. A developing country need not be alarmed or even concerned by such criticism. Of course, a country should not be obstructionist and oppose a proposal as a routine matter; but whenever its vital interests are involved, it must not hesitate in raising an opposing voice.

SOME BASIC APPROACHES AND COMMON INTERESTS

In addition to taking these strategic steps, developing countries have to close ranks in two important ways. First, they should have a political determination to work together in pursuit of their interests. Second, they should identify the points of their current strength and use them to get concessions in negotiations concerning international economic relations, particularly in the international trade arena.

General despondency and a sense of helplessness currently permeate the atmosphere among developing countries on international trade matters.

Developing countries should have a political determination to work together in pursuit of their interests. They should identify the points of their current strength and use them to get concessions in negotiations, particularly in the international trade arena.

They often resign themselves to being exploited, believing that nothing of particular interest to them will get done. What is really serious and damaging is that they accept the situation as inevitable and sincerely feel nothing can be done to change it.

This sense of frustration is natural, since they have been repeatedly ignored, threatened and even bullied in the past. But the game is not all lost. They have the power to change the system to serve their purposes and to stop their exploitation. But this requires a strong political will. And it depends on recognising that, though developing countries are at different levels of development ladder, they suffer from some common problems and handicaps. For example, all but a few of them have weak technological capacities, underdeveloped infrastructures, limited production and export bases, acute shortages of financial resources and limited stocks of trained personnel. Almost all of them have to depend on the governments, multinational corporations and

the financial institutions of developed countries for many types of financial resources and technological development.

In attempting to solve these problems, the approaches of a large number of developing countries will be similar. Hence, full recognition of a common approach and strategy should not be difficult. Yet another factor may facilitate the forging of common approaches. For nearly fifteen years, developing countries have been targeted by the major developed countries for new commitments and concessions. In fact, one of the main objectives of the developed countries in the Uruguay Round was to obtain concessions from developing countries. In this process, the nature of negotiations has changed fundamentally for the developing countries. Earlier they were negotiating to get special benefits, whereas now they are negotiating as partners from whom commitments and concessions are demanded. This phase is naturally much more difficult and complex. When countries are merely seeking concessions, nothing is lost if the concession obtained is less than expected. On the other hand, when countries are asked to give concessions, they have to engage in an extremely complicated exercise of combining the need for minimum commitment from their side with the reasonable satisfaction of the demanding partners. In this pursuit, a large number of the developing countries have a common problem and a great degree of similarity of interests and objectives.

Countries which have not been targeted by demands so far should not be complacent, for their turn may come soon. It will be better for them to join their interest with the other developing countries at this stage, so that when their turn comes, they are not alone. Even the least developed countries have been made targets of demands. For example, restraints on textiles have been put on them too; in agriculture, though they are not yet required to reduce tariffs, domestic support and export subsidies, they have been subjected to the rigour of binding all of their agriculture tariffs.

Developing countries, even the very weak ones among them, still have some leverage and negotiating strength in international economic relationships. Earlier, their strength came from having some important commodities needed by industry in developed countries — for example, their assertion of rights to set petroleum prices. But now the developed countries have adjusted to this new price system, their industries are more assured of the necessary raw material supplies, and these factors have almost ceased to provide any great strength to the developing countries.

However, the very factors which motivate the developed countries to seek concessions from the developing countries provide leverage and negotiating strength to the developing countries. First, a large number of developing countries can potentially provide a good consumer base for goods and services

from developed countries, as mentioned earlier. Second, the enormous size and variety of the bio-resources in developing countries are assuming new importance in science and technology, and may soon acquire a great deal of significance in new types of industrial production.

To put these opportunities into concrete shape, some work is needed on data collection and analysis so that these opportunities can be turned into openings useful to the developing countries in their political and economic dialogue with the developed countries.

The stakes for the developing countries

Considering the agenda of the major developed countries as explained in the beginning, developing countries have to realise that their process of development and even their economic survival is at stake. They cannot afford to remain indifferent to the emerging trends in the international economic relationship. If some of them feel that they will prosper and come out unhurt in this atmosphere, they may be in delusion. Sources of industrial and financial capital and also service providers, innovators and technologists in the developed countries are working in close liaison with their governments for a massive push to consolidate their gains in developing countries and win further new space. There is real fear that production and distribution capacities in the developing countries will continue passing into the hands of the transnational firms based in devel-

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oped countries. Soon the economic and political sovereignty of developing countries may be eroded. Territories and space will not be gained or lost in the early twenty-first century by marching armies, but by the work of economic operators and agents. And those countries which ignore the danger are likely to be caught as prisoners in their sleep.

The developing countries have to carve out their own space in the international economic relationship, place their own agenda at the central stage and defend themselves against exploitation. Some modest suggestions have

been given above to achieve these goals. These can be supplemented. Experience shows that developing countries have been effective in defending themselves when a large number of them have acted together. Some recent examples are: exclusion of the social clause from the WTO agenda in the Singapore Ministerial Meeting, and stopping the initiation of negotiations in the area of international investment in the WTO. On the other hand, when only a few of the developing countries have objected to certain proposals, they have not been successful in their efforts. A case in point is the proposal in WTO to start a study process on investment. Thus, the key to an effective positive approach or a defensive approach lies in a large number of developing countries acting together towards a common goal. In this they have nothing to lose, and a lot to gain. In absence of such perception and cohesion, they will suffer total loss. ■