Executive Summary

The development focus of the Doha Round emerged from a renewed spirit of collective responsibility for the challenges faced by poor countries, and also as a response to the perceived inequities generated by previous rounds of trade negotiations. Unfortunately, in the years since it was launched, the Doha Round has not delivered on its development mandate in several important respects. First, there has been little progress on the issues of interest to developing countries (especially agriculture, labour mobility and labour-intensive manufactures and services). Second, the new issues on the agenda, the so-called 'Singapore Issues', primarily reflect the interests of the advanced industrial countries and have been strongly opposed by many developing countries. Third, the domestic and bilateral actions of several OECD countries have led to questions about their commitment to the multilateral development agenda.[1] Finally, there has been only limited reform of the culture and procedures of the WTO.

This report presents an alternative way forward for the Doha Round based on social justice and economic analysis. The report proposes an alternative agenda for the Round. It suggests principles that should motivate the negotiations and identifies priority initiatives which would deliver significant gains to developing countries and increase global efficiency. It also recommends institutional reforms necessary to make global trade negotiations more effective and inclusive.

The primary principle of the Doha Round must be to ensure that the agreements promote development in poor countries. To make this principle operational, the WTO needs to foster a culture of robust economic analysis to identify pro-development proposals and promote them to the top of the agenda. In practice this means establishing a source of impartial and publicly available analysis of the effects of different initiatives on different countries and groups within countries. This should be a core responsibility of an expanded WTO Secretariat. Based on this analysis, any agreement that differentially hurts developing countries or provides disproportionate benefits to developed countries should be presumptively viewed as unfair and regarded as being against the spirit of the development round.

The agreements must enshrine both *de jure* and *de facto* fairness. This means ensuring that developing countries are not prevented from unlocking the benefits of free trade because of a lack of institutional capacity. In this regard, developing countries will require special assistance to enable them to participate equally in the WTO.

The principle of fairness should also be sensitive to countries' initial conditions. Special and differential treatment is needed to recognise that adjustment to new trading rules involves particularly high costs for developing countries whose institutions are weakest and whose populations are most vulnerable. Prescriptive multilateral agreements must not be allowed to run roughshod over national strategies to deal with idiosyncratic development problems.

This report presents pro-development priorities that should form the core of the Doha Round agreements. Primary attention should be given to market access for goods produced by developing countries. There is an urgent need to reduce protection on labour-intensive manufactures (textiles and food processing), agricultural goods and unskilled services (maritime and construction services). Priority should also be given to the development of schemes to increase labour mobility – particularly the facilitation of temporary migration for unskilled workers. As tariff barriers have come down, developed countries have increasingly resorted to non-tariff barriers; these need to be circumscribed.

Significant change in the outcomes of multilateral trade agreements must be supported by institutional reforms. A fair agreement is unlikely to be produced through an unfair process. In particular, greater transparency and openness is required to create a more inclusive bargaining process and put an end to the infamous 'green room' negotiations.

The report makes clear that there is a huge discrepancy between the development round trade agenda, both as it was formulated at Doha and as it has evolved since, and a *true* development round agenda that would reflect the interests and concerns of the developing world. Such an agenda would promote growth in developing countries and work to reduce the huge disparity that separates them from the more advanced industrial countries.

If the development round is to bring widespread benefits to people living in developing countries – and if there is to be widespread support for the continuing agenda for trade reform and liberalisation – the developed world must make a stronger commitment than it has provided in the past to giving assistance to the developing world. Assistance is required not only to help developing countries bear the often large costs associated with trade reform, but also to enable them to avail themselves of the new opportunities provided by a more integrated global economy.