

Foreword

As 2005 comes to an end, debate over the Doha Development Agenda is becoming heated. The international community faces a relatively simple choice in Hong Kong in December: will nations overcome powerful, if narrow, interest groups at home to promote more rapid economic growth in the future, or will they be unable to reach a meaningful agreement, leading to an uncertain future for the Doha Round and the world trading system?

The choice nations collectively make at the upcoming ministerial meeting of the World Trade Organization (WTO) is important to development. For decades the global trading system has been stacked against growth in developing countries. The products that the poor produce—mainly agricultural products and labor-intensive manufactures—face disproportionately high barriers to trade. And their chief asset, their own labor, faces greater restrictions to global mobility than any other asset. This situation has arisen because previous rounds of multilateral trade negotiations reduced protection on manufacturing products, the primary interest of the early members of the negotiating club representing the dominant countries. Now the membership of the WTO has grown to include most developing countries. It is for this reason that the Doha Round is important: It has given all countries of the world the opportunity to work collectively on barriers of interest to developing countries and to the world's poor.

Although the choice is simple, it is not easy. The underlying details of the issues are notoriously complex. Observers have a difficult time penetrating the veil of legal and economic opacity that envelops the negotiations. The details are sufficiently technical and multifarious that experts in one area are often unaware of technical details in another.

And details make the difference between opening markets and merely appearing to do so through a vacuous agreement that looks good on the surface but does little or nothing to widen opportunities for poor traders in the global market place. This book provides succinct analyses of the most critical issues facing negotiators, highlighting the choices that most affect development. It is a window into the issues.

The WTO negotiations are not the only ones shaping the world trading system. Regional trade agreements in growing numbers are introducing preferential trade arrangements between subsets of the international community. Some extend trade and support development through “open regionalism.” But others distort

trade, retard development, and undermine the multilateral system with a web of discrimination. For that reason, we have included a section on these arrangements.

A third subject of international policy discussions—"aid for trade"—affects developing countries' opportunities to participate in the global market. Without such aid, many countries will not have the infrastructures and institutions necessary to take advantage of new market opportunities, whether from Doha or regional arrangements. The debate over aid for trade poses hard questions: How much aid is warranted in view of competing needs, say in health or education? And how can new aid be channeled to be most effective?

Gathered here are trade notes written by World Bank staff and distinguished academics for a series inaugurated in 2003, as well as new essays prepared especially for this volume. All of the material pertains directly to the issues at stake in the WTO ministerial meetings in Hong Kong in December. We hope that it will contribute to a better world trading system, one that is more equitable and more supportive of development.

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