Making the WTO ‘More Supportive of Development’? The Doha Round and the Political Rationality of the WTO’s Development Mission

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Abstract
This article is concerned with the Doha ‘Development’ Round of the World Trade Organisation (WTO). Its historic significance seems to lie in the fact that the international community has undertaken the unprecedented effort to deliver the long-standing development promise of the multilateral trade regime. Thus, despite its past failures, the claim is that its successful conclusion is a ‘political must’ for development. Contrary to this assumption, the paper argues that the ‘failure’ and ‘promise’ of development that the multilateral trade regime articulates are inherent in the ‘science of development’ established at the end of the colonial era. In particular, the paper claims that the General Agreement on Tariffs and Trade (GATT) and the WTO have contributed to the creation, consolidation and transformation of a development apparatus that links forms of knowledge about the so-called Third World with forms of power and intervention. By emphasising the permanence of the ‘civilising mission’ within the WTO’s Doha agenda, it makes the case for challenges to be made not only to its current market-access mindset but also to the three normative assumptions that have provided the ‘science of development’ with its political rationality.

Keywords
Science of Development, Neo-Liberal Rationality, GATT, WTO, Doha Round
1. Introduction

The establishment of the WTO in 1995 signalled a new era of international trade relations. The precursor of the WTO, the General Agreement on Tariffs and Trade (GATT), had disciplined trade relations among states for over four decades. Since its outset, the GATT had had to confront the claims of its developing country members that its rules were unfavourable to their trade interests. As a result, several initiatives were undertaken between the 1950s and 1980s to take into account the specific problems developing countries faced within the international trading regime.

However, trade scholars have pointed out that the development—related trade activity of GATT resulted in an asymmetry of trade rules between developed and developing country members that did not address the source of the discrimination against the competitive exports of the latter (Hudec, 1987). According to mainstream trade literature, whereas the asymmetry of rules provided the legal basis for such discrimination, its underlying rationale must be traced back to the erroneous economic assumptions about development and the resulting counter—productive legal claims advanced by developing countries. To put it succinctly, by relying on trade protection as opposed to trade liberalisation and insisting on unilateral measures on the developed countries’ part, developing countries failed to stop the discrimination against their competitive exports and consequently to develop their economies by means of liberal trade (Hoekman & Kostecki, 1995).

Thus, the entry into force of the WTO legal regime was supposed to have signalled the ‘rational choice’ by developing countries to abandon their failing economic policies and legal strategies and embrace a rules-based multilateral trading system endowed with an effective enforcement mechanism. By adhering to the same set of rules and the economic rationale they embody, namely the unquestionable belief in the universal beneficial role of trade liberalisation, developing countries would finally be able to demand and enforce compliance with WTO rules so as to enjoy the benefits its legal regime is supposed to generate.

Yet, soon after its agreements were operationalised, it became apparent that the benefits of multilateral trade liberalisation had not materialised as far as developing countries were concerned (Charlton & Stiglitz, 2005). The ‘failure’ of development within the WTO is imputed to the improper implementation of its rationale, and, in particular, to the less than full liberalisation achieved with respect to the sectors of interest to developing countries. Hence, the Doha Round (WTO, 2001) was meant to finally deliver the long-standing development promise of the international trading regime by addressing the reasons for the difficulty of developing countries to ‘participate fully in the work of the WTO and to derive maximum benefits from it’ (Moore, 2001a). Despite the fact that the Round has been fraught with many difficulties and suspended twice as a result of the ‘irreconcilable’ differences among its members, developing countries are called upon to behave responsibly, recognise the unprecedented opportunity offered to them and realise that the successful conclusion of the Round is ‘a political must for development’ (Lamy, 2007).

This article investigates the rationales behind the six-decades long ‘failure’ of the development enterprise of the multilateral trading regime. Trade scholars have acknowledged that both the GATT’s and the WTO’s selective trade practice has violated the development principles they have purported to promote (Hudec, 1997, Michalopoulos, 2001). Consequently, they have argued that international efforts should continue in order to finally redress the imbalances of the international trading regime. This underlies the so-called market access argument, according to which the multilateral trading system will deliver its development promise provided that WTO developed country members open up their markets to developing countries’ competitive exports.

There is however another perspective from which to look at the ‘failure’ and the ‘promise’ of development within the current round of negotiations. The central argument of this article is that development has always occupied a central position within the multilateral trading regime. Taking the cue from Anghie’s account of the Mandate System under the League of Nations (2000), the first part argues that development has been constructed as a ‘science’ functioning on the basis of a universal economic rationality and a linear and consequential reading of history that articulates a mutual reinforcing relationship between a ‘civilising mission’ and the furtherance of the interests of the major trading powers.
The second part brings the insights on the ‘science of development’ to bear on the Doha Round and contends that rather than implying a rethinking of the WTO’s development rationale, its significance rests in the intensification of the ‘political rationality’ of development. The article does not advance any practical suggestions for reforming the WTO’s development agenda. However, by taking leave from the urgent calls to resume negotiations, it contributes to a much needed reflection on the normative assumptions pervading the WTO’s development agenda. In so doing it argues that any alternative to the current state of affairs needs to simultaneously challenge the three normative assumptions on which development operates and the interests it serves.

2. The ‘Science of Development’ and the ‘Development Mission’ of the Post-War Period

Trade has always been an essential underlying element of international law. Already at the time of Westphalia, the new system of sovereign rights over mutually exclusive territories was based on the acknowledgment that future quarrels between European sovereigns were to exert no influence on the right to trade of private actors (Arrighi, 2000:43). As Arrighi notes, ‘The considerable freedom granted to private enterprises to organise commerce peacefully across political jurisdictions even in wartime…marks the birth not just of the modern inter-state system, but also of capitalism as world system’ (ibid., 44). The relationship between trade and the so-called civilising mission was a crucial aspect of the colonial enterprise of European states in the non-Western world: as Anghie (1999: 64) argues ‘trade was an indispensable part of the civilising mission itself; the expansion of commerce was the means by which the backward natives could be civilized’.

At the beginning of the twentieth century, however, it became apparent that colonies would soon have achieved independence. This meant that their vast economic resources would no longer be under the direct control of the imperial powers. A new means which enabled the latter to continue to operate in the territory of the ex—colonies was therefore needed in order to ensure their future access to natural resources: this means was soon to be provided by the emerging ‘science of development’.

Although the institutionalisation and professionalisation of development occurred in the immediate post-war period (Escobar: 45-46), its antecedents can be traced back to the Mandate System under the League of Nations. As Anghie (2000: 285) has pointed out, it was with the Mandate System that the ‘civilised-uncivilised’ dichotomy of international law was reconceptualised in economic terms and development as a scientific discipline first emerged. Economic backwardness, rather than racial and cultural connotations, made the people of the mandate territories unable ‘to stand by themselves under the strenuous conditions of the modern world’ so that for the League’s members ‘the well-being and development of such peoples form[ed] a sacred trust of civilization…’ (League of Nations: Art.22). [emphasis added] At the same time, the promotion of the so-called well-being of natives was accompanied by another objective, that is, the utilisation by the mandates of the economic resources of the mandate territories (Anghie, 2000: 278).

The neutral character of the League, as opposed to the self-interested nature of the colonial powers, was therefore achieved through the resort to economic rationality and the establishment of a neutral body of experts, the Permanent Mandate Commission (PMC). The Commission was given the task to gather, analyse and elaborate a vast amount of information regarding different territories and several subject areas (ibid.: 280). The result was that the PMC could claim to be able to formulate neutral policies to be adopted in the different mandate territories. Thus, once the failure of so-called backward societies was established in supposedly neutral terms, economic rationality, which happened to be the privileged domain of ‘advanced’ countries, was posited as the means through which mandate territories could overcome their inability to ‘stand by themselves’ and achieve equal status in the international community.

On this premise, the ‘development mission’ of the international community was deployed in the immediate post-war period. This enterprise relied on three normative assumptions borrowed from the experience of the Mandate System, namely: the positioning of a dichotomy between the status of developing and developed societies in terms of an economic gap, the reliance on economic rationality as the neutral terrain on which to bridge this gap, and the invocation of the help and expertise of the most ‘advanced’ members of the international community to facilitate this inevitable and desirable
process. As will be argued below, these three elements have set the terms within which it has been possible to think about, speak of, and reformulate ‘development’ since de-colonisation.

In the immediate post-war period, the basic underpinnings of development thinking were that the economic growth and progress experienced by industrialised countries were both desirable and inevitable. With development economics and modernisation theories, the so—called backwardness of Third World societies came to be neutrally theorised and new forms of interventions based on economic rationality were made possible. Development was made to coincide with rapid economic growth, indiscriminate industrialisation and capital accumulation to be achieved through injections of foreign capital and participation in the liberal trade regime whose rules had been established by the GATT. Thus, the radical transformation of Third World societies and their incorporation within the world capitalist system was posited as a necessary and desirable historic event to be achieved at the expense of other forms of societal organisation with nothing to contribute to the development process (Escobar, 1995: 78).

For its part, GATT further elaborated the development norm of the post-war period through its institutionalisation of the ‘failure of developing countries to develop their trade as rapidly as that of the industrialised nations’ (GATT, 1958: 18). The development-related trade activity that followed was to be informed by this premise. To be sure, as Escobar (1995: 31) writes, ‘if during World War II the dominant image of what was to become the Third World was shaped by strategic considerations and access to its raw materials, the integration of these parts of the world into the economic and political structure that emerged at the end of the war grew more complicated’. Indeed, development economics and modernisation theories were soon to be challenged by dependency thinking. Most of the reformist dependency theories which impacted on the international trade regime hardly questioned the fundamental assumption that development was the necessary and inevitable result of a natural and linear historic process. However, they argued against the assumption that trade liberalisation would automatically lead to greater growth and development for all countries, pointing out that the imbalances deriving from historical trading relationships and the rules of the GATT greatly limited the trade prospects of developing economies.

Consequently, the coalition of developing countries embarked on reforming the rules of the international trade regime. The result of thirty years of GATT’s development agenda was the recognition that some flexibility from GATT’s legal rules was appropriate in order to allow developing country members to reach the ‘advanced’ stage of their economies. Notwithstanding the fact that industrialised countries actively discriminated against the trade interests of developing countries (Hudec, 1987), GATT’s provisions granting so-called Special and Differential Treatment (SDT) conceded that, in order to correct the inequalities of the international trading system, developing countries were entitled to non-reciprocal commitments during negotiations, formal enhanced market access, regulatory autonomy and policy discretion in their own economies. Hence, the GATT legal structure provided for the freedom of states to decide about the optimal degree of intervention and trade liberalisation and, most importantly, did not substantially regulate other dimensions of its members’ domestic policy.

3. From Post-War Development to Neo-Liberal Development

The 1980s, however, signalled the reversal of this rationale. With neo-liberal theories, the market mechanism and rational economic behaviour exhumed from neo-classical economics were employed to explain the failure of the state—based development which had prevailed for three decades in both developing and developed countries. This section focuses on a particular aspect of early neo-liberal theories, namely the way in which their economic analysis of development intersected with political representations of Third World societies. This is important for two reasons: firstly, to expose the continuity of a discourse about the ‘nature’ of Third World societies that belies the alleged neutrality and objectivity of neo-liberal analyses; and secondly to show how neo-liberal development linked with, while displacing, earlier development approaches thanks to the three normative assumptions inherent in the ‘science of development’.

3.1. From rational economic behaviour…

Early neo-liberal writers such as Lal, Bauer, Balassa and Krueger refuted the basic assumptions underlying development economics and dependency theories. Lal (1983:5) for instance argued that the
so-called dirigiste dogma, namely the belief in the active role of the government in promoting development, derived from the erroneous assumption that the differences in the structures of developing economies required separate economic analysis and policies from those applicable to the developed economies. The means on which he relies to show the fallacy of this assumption are the price mechanism and rational economic behaviour. The price mechanism is the principal organiser of economic activity, therefore the neo—classical analysis of human economic behaviour is not limited to agents operating in developed countries. Hence, the fallacy of the dirigiste dogma consists in denying the universality of rational economic behaviour. This flaw derives from:

the paternalist attitude born of a distrust of, if not contempt for, the ordinary, poor, uneducated masses of the Third World…. It is easy to suppose that these half-starved, wretched and ignorant masses could not possibly conform, either as producers or consumers, to the behavioural assumption of orthodox neo-classical economics that people would act economically (ibid., 104).

This passage is crucial in that it seems to address the civilising attitude of development economics towards so-called backward societies when, in actual fact, it is constructing a new vision of backwardness that extends beyond economics to include institutional and social arrangements. Lal denounces the paternalist attitude of development economics that had conceived of the ‘masses of the Third World’ as irrational economic agents. Simultaneously, these ‘uneducated masses’ are still in need of assistance in order to overcome their ‘political and emotional resistance’ to sound economic policies. As he points out ‘the major benefit the developing countries derive from…the multilateral trade institutions… is the technical assistance built into the process of transferring the aid money to the recipient countries. Though often sound on general economic grounds, their advice is nevertheless resented for political and emotional reasons…’ (ibid., 104). [emphasis added]

The reformulation of the premises underlying the Mandate System is fully accomplished. The Mandate System, borrowing from the science of colonial administration, was based on the assumption that the inhabitants of the ex-colonies were ‘not yet able to stand by themselves’ and therefore needed guidance in order to pursue their material as well as moral and educational progress. The result was the creation of a ‘science of development’ able to formulate universal policies by relying on the neutrality of economics. In the immediate post-war period, development economics would carry over precisely these assumptions, namely that ‘backward societies’ were characterised by an economic stage which was different from that of the advanced economies; that reliance on economic rationality would pave the way to their development; and that this process would be facilitated through the expertise and guidance of the ‘advanced’ members of the international community. Lal seems to distance himself from the ‘paternalist’ attitude of development economics by invoking the universality of rational economic behaviour. However, far from being removed, these assumptions are reformulated in his analysis.

Firstly, non-Western societies are still characterised as backward although, in contrast to the analysis of development economics, they do not require different economic analysis and policy prescriptions. The *modus operandi* of the PMC based on the collection, analysis and elaboration of a vast body of information from the mandate territories continues to operate. As Lal (105) writes, ‘there is by now a vast body of empirical evidence from different cultures and climates which shows that uneducated peasants act economically as producers and consumers. They respond to changes in relative prices much as neo-classical economic theory predicts’.

Secondly, reliance on neo-classical assumptions about rational economic behaviour and the price mechanism provides the premise for the replacement of development economics with the universality of neo-liberal economic laws. Therefore, the universality of neo-classical economics is invoked to argue for the applicability of market-based policies in developing countries. In other words, the means invoked to achieve development is once again the neutrality of economic laws, this time neo-liberal laws.

Thirdly, developing countries are still in need of assistance in order to achieve development. The formal argument is that despite the fact that individuals in the developing world conform to the neo-classical model of rational utility-maximisers, their social and institutional arrangements are such that they will resist sound economic reforms. Lal (104) is here referring to the second failure he imputed to development economics, namely the overemphasis on physical capital formation as opposed to human capital formation. The latter needs to be encouraged through appropriate institutional arrangements
both domestically and at the international level. Thus, it is necessary to make foreign aid conditional upon the adoption of sound, rational policies prescribed by the donors.

3.2. …to failing institutional and social arrangements

Lal’s analysis can be read in conjunction with similar studies that emerged in the 1980s. Bauer, for instance, had already claimed that ‘emergence from poverty [in the Third World] does not require large-scale capital formation’ (Bauer, 1981: 248). He was also sceptical of human capital formation, since his researches into the economic growth of the Malayan, West African and Indian economies had shown that their different economic performances could not be explained in ‘terms of differences in human capital formation’ but in terms of people’s ‘personal preferences, motivations and social arrangements’ (1984: 7). Thus, whereas Lal would argue for technical assistance and conditional aid in opposition to the overemphasis on physical capital formation, Bauer had anticipated the idea that institutional and social reforms in developing countries were necessary to stimulate growth. The theoretical basis for both, however, was a discourse about the Third World’s societal organisations, which was presented as neutral, rational and technical rather than political. The relevance of these theoretical constructions would gradually increase as their acceptance extended beyond traditional economic sectors. North (1993: 6), for instance, would argue that:

transferring the formal political and economic rules of successful western market economies to Third World and Eastern European economies is not a sufficient condition for good economic governance…as it is the informal norms that provide the essential legitimacy to any set of formal rules…it is essential to change both the institutions and the belief systems for successful reform since it is the mental models of the actors that will shape choices.

Technical assistance and conditional aid, together with institution building, would become crucial tools in the development arsenal of the international economic institutions for radically transforming institutional and social arrangements in developing countries. Thus, the neo-liberal transformation of the ‘science of development’ set out to operate a radical alteration of economic, political and social arrangements beyond the market, or, in other words, to reconceptualise in market terms all spheres of human interaction. The beginning of this shift can be traced in Lal’s and Bauer’s works, where all individuals are intrinsically rational economic agents able to seize any economic opportunity. It follows that radical reforms are necessary for abolishing previous policies based on false economic assumptions such as those of development economics and dependency theories. Hence, the ‘science of development’ is transformed with regard to the means necessary to achieve the undisputed result, namely catching up with the economic stage of the developed economies, so that the market, rather than the state, is posited as the crucial engine of development.

Thus, by positing the price mechanism as the principal organiser of human behaviour and economic activity, early neo-liberal scholars define direct government controls both at the national and international level as the major dogma of development economics (Lal, 1981: 27; Jaastad et. al., 1986: 131-179). For instance, the economic crises developing countries experienced during the 1980s are seen as the result of distortions induced by the economic policies pursued by their own governments (Balassa, 1989: 95-96; Krueger 1993: 3-4). Not only do insights into the structural imbalances of the international trading system gradually disappear from the development debate, but also, the impact of external phenomena such as the critical shortage of foreign exchange, the oil shock and the debt crisis is believed to have been magnified by the adoption of erroneous policies. Thus, the neo-liberal policy prescriptions that follow are based on the transformation of inward-looking, state-based economic structures into market-oriented economies, accompanied by reforms of their institutional and social arrangements. The theoretical tenets of these reforms were soon to inform the transformation of the international trade regime as its scope was extended well beyond the regulation of trade in goods. However, the point made here is that the neo—liberal shift in development thinking would have not been possible without the disciplinary authority on which ‘development’ as a science rests.

4. The Neo-Liberal Transformation of the Multilateral Trading Regime

If the analysis of the political assumptions about Third World societies permeating neo-liberal theories is important to show the continuity of the ‘civilising mission’ in claims which purport to repudiate the
‘false’ assumptions of the past, their relevance is also to be seen in the light of the scientific authority they conferred upon decisions made in the 1970s and 1980s which, as a result, could be presented as rational and inevitable choices.

The breakdown of developing countries’ cohesion was a crucial moment in the negotiating history of GATT and one of the determining factors leading to the establishment of the WTO. The majority of trade scholars have given an almost unanimous account of this shift, an account premised on both economic and legal grounds. According to the former, developing countries appear to have acknowledged the failure of their inward-oriented policies and, consequently, to have opted for a market-oriented development agenda. In other words, this position assumes that the collapse of the historic coalition of developing countries represented the ‘rational choice’ for the most efficient trade policy.

On the legal side of the argument, developing countries are shown to have recognised that the benefits deriving from reciprocal negotiations are far greater than the gains they could obtain from insisting on unilateral actions by developed countries. The thrust of the argument is that the majority of GATT development provisions were drafted in hortatory rather than mandatory language and, as a result, developing countries were unable to enforce them. Furthermore, the non-reciprocity position meant that developing countries did not have sufficient bargaining power to negotiate access to the developed countries’ markets for the products of interest to them. Conversely, only by entering negotiations on a reciprocal basis could developing countries obtain meaningful commitments by the industrialised members. Developing countries were thus presented with the choice between continuing to require unilateral obligations by industrialised countries or competing on an equal footing with them. As with the economic argument, the legal argument assumes that developing countries have recognised the failure of their former legal strategy and opted for a multilateral trading system based on reciprocal and binding commitments for all members.

These arguments reflect important aspects of the developing countries’ position within the international trade regime. However, by privileging the incidence of certain factors while overlooking or downplaying the importance of others, these representations end up viewing the shift in terms of a logical, rational and inevitable process. Contrary to these interpretations, other scholars have shown how the neo-liberal turn was the outcome of the events that in the 1970s and 1980s called for urgent action and the political decisions made in response. From the world recession to the monetarist responses of the industrialised countries (Harvey, 2005; Gowan, 1999; Chang, 2003), in particular the US decision to abandon the gold system, deregulate private finance and promote a trade-service-investment driven market integration (Preeg, 1995: 50-54); from the oil and debt crisis to the radical transformation of developing countries’ economic structures imposed by the SAPs (Armstrong et. al., 1984:167-192); from the negative discrimination suffered by developing countries under GATT (United Nations, 1983) to the pressure exercised by the industrialised countries to bring in the ‘new issues’ (Preeg, 1995: 50-54); these responses were each time political rather than rational and neutral choices.

By the end of the GATT ministerial meeting of 1986 the historic coalition of developing countries had therefore collapsed and the majority accepted to negotiate commitments in the new areas of services, investment and intellectual property rights. This represented a significant shift in the development rationale that had prevailed until then. The principle of reciprocity that was to emerge soon implied a view of the bargaining process in the international trade arena as an exchange conducted by agents seen as rational utility-maximisers that stand on an equal footing with one another. Although it took eight long years of negotiations for the WTO to come into existence, the multilateral trade regime was radically transformed to embrace the neo-liberal conversion of development thinking. However, rather than being the outcome of a logical and inevitable historical process, this was the result of the interaction and mutual reinforcement of neo-liberal theories and the political decisions made to address the events that took place in the 1970s and 1980s. The immediate question therefore is whether the focus of the current round of negotiations on delivering ‘development’ signals a fundamental departure from both the neo-liberal assumptions which led to the establishment of the WTO and the normative assumptions inherent in the ‘science of development’.

5. The ‘Doha’ Development Round: Towards a Softening of the Neo-Liberal Development Agenda?

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This section deals with the common argument according to which the WTO’s neo-liberal conception of the international trade regime as an equal playing field wherein state actors make rational choices for the most efficient trade policy, and which, through the working of an ‘invisible hand’, augments global welfare and development, has softened with the current round of negotiations. There are two claims made in support of this argument. The first concerns the emphasis of the Doha mandate on realising market access opportunities for developing countries (Stiglitz, Charlton, 2005). Recognising the fact that WTO agreements have not delivered ‘substantial improvements in market access’ for the exports of interest to developing countries, Members commit to intervene so ‘to place their needs and interests at the heart of the Work Programme’.

The second claim concerns the renewed emphasis on the principle of SDT (Charlton, 2005). Within GATT’s practice, the principle meant that developing countries were not expected to make reciprocal commitments in the course of negotiations. SDT provisions were included in the WTO agreements, but the fact that the WTO’s legal architecture is based on reciprocal and binding obligations for all its members meant that its content had to be transformed. As a result, the majority of SDT provisions are meant to provide developing countries with technical and financial assistance and longer transitional periods to implement the WTO agreements. Noting the concerns that developing countries have expressed with respect to the weakening of SDT, the declaration mandates a review of Special and Differential provisions with a view to making them more precise, effective and operational (WTO, 2001: para. 44). Therefore, the Doha mandate seems to imply a rethinking of the reciprocity principle and, consequently, of the WTO’s neo-liberal interpretation of the international trading regime as a level playing field where equal actors make ‘mutually advantageous arrangements’ (WTO, 1994).

A closer assessment of the Doha Declaration, however, is necessary in order to evaluate whether it represents a substantial shift from the WTO’s position on trade liberalisation as universally beneficial, and reciprocal and binding obligations as the means for achieving it. The declaration contains a number of principles that concern the relationship between trade and development. Firstly, WTO members recognise that the ‘the multilateral trading system embodied in the World Trade Organisation has contributed significantly to economic growth, development and employment throughout the past fifty years’ (WTO, 2001: para. 1). As a consequence, they stress their commitment to the principle of trade liberalisation and the rejection of protectionism, reaffirming ‘the principles and objectives set out in the Marrakesh Agreement Establishing the World Trade Organisation’.

This refers to the WTO objectives of ‘raising standards of living, ensuring full employment and a large and steadily growing volume of real income and effective demand, and expanding the production of and trade in goods and services...’ (WTO, 1994). This section of the WTO Preamble must be read in conjunction with a subsequent paragraph which points to ‘mutually advantageous arrangements directed to the substantial reduction of tariffs and other barriers to trade and to the elimination of discriminatory treatment in international trade relations’ as a means of ‘contributing to these objectives’ (ibid.). Thus, the Doha Declaration reiterates the WTO position that the elimination of discrimination in international trade is conducive to economic growth and development. Moreover, by referring to ‘mutually advantageous arrangements’ as the means to achieve the WTO’s objectives, the declaration also endorses the so-called Single Undertaking Approach (SUA) of the WTO and hence the neo-liberal assumption of the multilateral trading regime as a level playing field where all state actors are in a position to negotiate on an equal footing with one another. Thus, even though the declaration’s emphasis on SDT seemed to point to a softening of the principle of reciprocity, the adoption of the SUA cautioned against such an assessment as it meant that developing countries would be required to make trade-offs in relation to the sectors of interest to developed countries as a quid pro quo for the elimination of the discrimination against their trade.

Secondly, there is a recognition that the benefits of trade liberalisation extend to developing countries. Recognising that international trade ‘can play a major role in the promotion of economic development and the alleviation of poverty’, WTO members commit to focusing the work programme on developing countries’ needs and interests (WTO, 2001: para.2). The assumption is that ‘the increased opportunities and welfare gains that the multilateral trading system generates’ (ibid.) will materialise for developing countries as they already have for developed countries. Thus, the principles embodied in the Doha Declaration do not substantially depart from the neo-liberal assumptions leading to the adoption of the WTO agreements. The belief in the multilateral system of trade negotiations and the beneficial impact of trade liberalisation has been upheld and further extended to the reduction of poverty and elimination
of marginalisation of least developed countries (*ibid.*, para. 3). Trade liberalisation is still deemed to be the universal engine of development, and the WTO’s multilateral rules-based system the means for achieving this end.

5.1. Towards the Intensification of Neo-Liberal Development Rationality

In other words, the Declaration recognises that developing countries have not yet benefited from the WTO regime. However, the failure of neo-liberal development is imputed to the improper implementation of the WTO rationale, and, in particular, to the less than full liberalisation achieved with respect to developing countries’ export sectors. Hence, the Declaration demonstrates a reinvigorated belief that if properly applied, the WTO would finally deliver the development promise of the multilateral trading regime - a position reinforced by a multitude of ex-Washington consensus experts, NGOs, and pop-stars campaigning for ‘trade not aid’ (Stiglitz and Charlton, 2005; Hoekman, 2004; Thornton, 2006).

Since the launch of the Round in 2001, however, scholars and NGOs have repeatedly pointed out that the negotiating practice of the United States and European Union in particular has contradicted the spirit of the Declaration. As a result, the Round has ended up being a market access opportunity for the developed countries. Firstly, due to the SUA, agreement on agricultural trade issues has been made dependent on the liberalisation of service sectors and non-agricultural goods of interest to developed countries. Secondly, negotiations on the service sectors of interest to developing countries, i.e. movement of natural persons, have not made any progress due to the immigration concerns of the developed countries. Thirdly, the latter have consistently refused to both negotiate a safeguard clause and carry out an assessment of the impact of prior liberalisation commitments as required by the WTO agreement on services. Fourthly, the EU and US have resisted the substantial reduction of domestic support for agriculture as mandated by the Declaration. Finally, there has been no progress on the negotiations of SDT provisions which were supposed to re-introduce less-than-full-reciprocity in the WTO negotiating process.

These arguments are important. Indeed, the various contradictions between the Doha mandate and negotiating practice confirm the continuity of the development rhetoric regarding the international trading regime, which, as Hudec pointed out with regard to the GATT, consists of the developed countries’ practice of making impressive statements in relation to development related trade reforms without undertaking substantial obligations (Hudec, 1987: 56). However, the hypothesis presented here is a different one. Rather than marking a softening of the neo-liberal hold over the WTO development agenda, it is argued that both the mandate and the negotiating practice of the Doha Round point to the intensification of a neo-liberal rationality which increasingly implies the acceptance of what Rodrik (2001: 1) defines as ‘the Enlightened Standards View’ of the WTO. This view ‘posits [that] the universal beneficial nature of trade liberalisation, market access and global integration in all trade-related matters’ is a *condition sine qua non* for development.

This becomes apparent if one looks at the increasing competence of the international trade regime, in particular to what is regarded as a trade-related matter. The institutional separation between the economic and political realms of international law and organisations which occurred in the immediate post-war period was based on the assumption that technocratic institutions could best serve the interests of the international community by specialising in their respective areas of expertise and away from political interference. Although it was always fictitious, this separation seems to have undergone a qualitative transformation under the Washington Consensus, with the World Bank, but also the IMF, expanding its prior focus on economic matters to incorporate ‘human rights’, ‘institution building’, ‘good governance’, ‘corruption’ and ‘gender’ in its development strategies (Anghie, 2000: 266).

This trend is noticeable also with respect to the international trading regime. It is not just the case that the WTO legal regime implies, as Ostry (2000: 5) points out, a ‘degree of intrusiveness’ into domestic regulation ‘that bears little resemblance to the shallow integration of the GATT model of negative discrimination — [that is] what governments must not do —’. The WTO reaches deeper into more areas of domestic policy making, including services, investment and intellectual property rights. The legal, administrative and economic reforms required by the WTO in these areas do not merely involve exorbitant implementation costs for developing countries especially (Finger & Schuler, 2000: 514-515). They also imply a profound rethinking of the way in which societies and governments have conceived of the nature of industrial policy, services provision, culture, creativity and invention. By
creating a link between these many diverse areas and trade, that is, by constructing these practices, resources and processes as trade-related and extending to them GATT-like rules which disregard their social, cultural, environmental as well as economic dimensions, the WTO has, in full neo-liberal mode, re-conceptualised them in market terms. As marketplace objects, they are therefore made to enter ‘a technical realm that is stripped of any social and political dimension’ preventing ‘other ways of perceiving them that might raise more objections’ (Kelsey, 272).

For instance, the WTO agreement on services, which was initially resisted by many states, marked a fundamental shift in trade discourse as it ‘redefined how governments thought about the nature of services, their movements across borders, their roles in society, and the objectives and principles according to which they should be governed’ (Drake & Nicolaidis, 1992). Twelve years into its operation, this agreement no longer provokes objections, at least not officially within the WTO, because of the artificial equivalence it establishes between trade in goods and services, thereby obscuring the fact that service provision serves ‘purposes that are intrinsically social, as well as environmental, cultural and economic’ (Kelsey, 267). Rather, the criticism has to do with the fact that whereas substantial liberalisation in the service sectors of interest to developed countries is being successfully pursued, this is not the case with the service sectors of importance to developing countries.

The market access argument with respect to agriculture is also symptomatic of the acceptance of the comparative advantage logic. This is not to downplay the importance of market access, especially under current WTO conditions, but to say that the ‘market civilisation’ rationality is today less doubted than it was when the WTO came into existence. Indeed the WTO’s focus on free trade and the market as the means to alleviate poverty, eliminate marginalisation, avoid corruption and promote good governance is indicative of the intensification of neo-liberalism and its ‘market civilisation’ rationality. Looking from within the development framework examined so far, this means that the undisputed reliance on a universal economic rationality to deliver development remains substantially unchallenged. A similar observation can be made with respect to the neo-liberal transformation of the other two pillars of the development norm, namely the early assumptions about the backwardness of non-Western societies and the consequent need for guidance and assistance by the so-called developed members of the international community.

In this respect, the instruments at the WTO’s disposal for surveillance and compliance with its rules have been enhanced and, simultaneously, have produced self-disciplining mechanisms for its members, especially developing country members. Indeed, it is largely the developing countries that are called upon to reform their legal and administrative systems to comply with the agreements’ requirements of transparency, undue delay and due process and these are all regulatory steps the WTO considers necessary to ensure ‘good governance’.

This emphasis on institution building and good governance reinforces the neo-liberal assumptions about the impropriety of developing countries’ political, social and institutional arrangements. As a consequence, their integration into the global economy, posited as necessary to achieve development, is to be pursued through harmonisation of regulatory practices in addition to trade liberalisation. The point is not to vilify good governance and institution building. Rather, the aim is to consider the way in which they operate to order hierarchically different societal organisations. In other words, it is crucial to appreciate that despite the transformation the civilised/uncivilised, advanced/backward, developed/developing dichotomy has undergone, the civilising mission continues to operate through these regulatory mechanisms.

Furthermore, technical and financial assistance is deployed in a manner reminiscent of the modus operandi of the Mandate System that aimed to assist those peoples ‘not yet able to stand by themselves under the strenuous conditions of the modern world’. Hence, the Integrated Framework (IF) of the WTO aims to encourage ‘LDCs [least developed countries] to be full and active players and beneficiaries of the multilateral trading system’ (WTO, 1997). By coordinating the activities of donors and recipient governments and providing them with the ‘specific field of competence’ of the organisations involved, the IF recalls the economic neutrality invoked by the Mandate System in order to achieve ‘the well-being and development of such peoples’. Assistance under the IF is therefore made conditional upon the acceptance by the recipient country of the economic rationality of the international economic institutions. Hence the recipient country needs to ‘prove that [it] has created an environment which helps the integration of trade in its plans for economic growth and development. This should include providing an institutional arrangement, implementing domestic reforms that favour trade, and engaging donors’.

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Similarly, the ‘technical and financial’ instruments provided in the WTO agreements, including the legal provisions for longer transition periods, are intended to assist developing and least developed countries in complying with WTO rules, whose rationale, however, is not open to challenge. Furthermore, through the Trade Policy Review Mechanism (1995a), WTO members are subject to a detailed analysis of conformity, which they themselves have to carry out, with the WTO agreements followed by the Secretariat ‘perspective on the Member's trade policies’. Finally, the Dispute Settlement System provides the WTO with an effective enforcement mechanism under the threat of sanctions.

Hence, the intensification of the neo-liberal or market civilisation rationality has entailed a qualitative shift and its effects are certainly not confined to the development field or the WTO. The powerful hold of neo-liberalism over political and social life exceeds the traditional economic realm by positing the market mechanism and rational choice as the universal interpreters of human behaviour. Wendy Brown (2006: 693), for instance, has argued that neo-liberalism entails a political rationality that:

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\text{is not equivalent to an ideology stemming from or masking an economic reality, nor is it merely a spillover effect of the economic on the political or the social. Rather, (as Foucault inflected the term,) a political rationality is a specific form of normative political reason organising the political sphere, governance practices, and citizenship. A political rationality governs the sayable, the intelligible, and the truth criteria of these domains. Thus, while neoliberal political rationality is based on a certain conception of the market, its organisation of governance and the social is not merely the result of leakage from the economic to other spheres but rather of the explicit imposition of a particular form of market rationality on these spheres.}
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Similarly, the neo-liberal shift in development thinking has involved the re-conceptualisation of the multilateral trade regime in terms of the market logic so that exchange, utility maximisation and individual responsibility increasingly become the parameters for evaluating institutional and social arrangements. For instance, the idea inherent in the Single Undertaking Approach that WTO negotiations involve a bargaining process according to which players engage in ‘trade-offs’ in order to maximise their welfare, conforms to the neo-liberal political rationality that explains every arrangement in terms of market efficiency and profitability.

In the context of the discussion this article has engaged with, namely that concerning the modality through which the ‘science of development’ has operated within the international trade regime, this raises the question of what exactly is involved in the shift from the GATT’s to the WTO’s approach to development. Certainly, the wholesale transformation of Third World societies which the post-war development thinking engendered, and in which GATT participated, was no less ‘political’ than the current degree of ‘intrusiveness’ imposed by the neo-liberal approach to development that the WTO promotes. This is not to downplay the qualitative difference involved in this shift, in particular with regard to the loss of the regulatory autonomy contracting parties had under GATT. It is rather to say that the conditions for its possibility are to be found in the premise on which the science of development rests, in particular the three normative assumptions that have allowed the ‘backwardness’ of Third World societies to be constantly re-conceptualised so as to posit each time anew the failure of development and the promise of its overcoming.

These assumptions have provided the science of development with its ‘political rationality’, that is, the rationality that governs the ‘sayable, the intelligible, and the truth criteria’ of this domain. At the same time, although the pervasive effects of development cannot be reduced to any single determining agenda or, as Brown puts it with respect to neo-liberalism, ‘to the spillover effect[s] of the economic’, the trading interests of the major capitalist powers have been central in shaping and reshaping the contours of the ‘sayable and the intelligible’ in the development domain, at least as far as the development dimension of the GATT and the WTO are concerned.

In the immediate post-war period, one crucial preoccupation of the ex-colonial powers was to gain access to the natural resources of the ex-colonies and incorporate them within the expanding world capitalist system. With modernisation and growth theories, the so-called failure of development was imputed to the dual economic structures of the ex-colonies so that their capitalist transformation through an interventionist state would deliver the promise of development. With neo-liberal theories, the persistence of this failure was made to rest on the adoption of erroneous economic policies and
legal claims by developing countries so that market forces become the appropriate development means. With the WTO, the failure extends to their institutional and social arrangements which need to be reformed along the trade-service-investment-driven market integration pursued by the US and EU. With the Doha Round, the failure of development is attributed to the improper implementation of the WTO rationale while developing countries are required to appreciate that ‘Trade is one component of a policy framework for growth, poverty reduction and development... Sound macroeconomic policies, debt reduction, capacity building and good governance are critical to any programme of development and poverty reduction (Moore, 2001b). As a result, the development promise of the international trade regime remains still to be fulfilled.

6. Conclusions

How can these insights be brought to bear on the Doha Development Round? Firstly, it is important to acknowledge that, as was the case with the GATT, the WTO ‘serves the cause of the (sectorally selective) free traders, rather than free trade serving the cause of greater institutionalism in multilateral trading relations’ (Macmillan, 2005: 166). Thus, the current emphasis on free trade and market access to deliver development is misplaced and should be resisted. The agreements of the WTO have provided the necessary legal framework for extending the northern model of trade-service-investment-driven market integration to the rest of the world. It is therefore contended that the US and the EU will be unlikely to reverse the unprecedented gains they have obtained through the legal provisions of these agreements. This is not to say that reforms should not be attempted. In particular, the call for bringing to a standstill further liberalisation of services (ICTSD, 2003) and introducing a ceiling on the standards of protection of intellectual property rights (Drahos and Braithwaite, 2002) should be answered if the advancement of the power of corporate capital vis-à-vis the regulatory autonomy of WTO members is to be halted.

Secondly, if one takes into account the modality through which the ‘science of development’ has operated and still operates within the international trade regime, then the successful conclusion of the Round will appear to be neither a political nor an historic necessity. Recognising the interaction between the representation of Third World societies and the forms of intervention that the ‘science of development’ articulates does not imply that any alternative is contained within this mutual reinforcing relationship. It is however crucial to expose the political rationality of development in order to denounce the modality through which, as Brown puts it with regard to neo-liberalism, it usurps other practices by rendering them unintelligible and unsayable. Then the focus might not be on how to make the WTO ‘more supportive of development’ (Hoekman, 2004: 6), but rather on what experiments and practices, within or without the WTO, can be thought of that depart from the ‘failure’ and ‘promise’ that perpetuate the ‘political rationality’ of development.

Endnotes:

1 See Lewis (1955), Rostow (1962). According to modernisation and growth theorists, the problem of ‘underdevelopment’ was due to the co-existence of two different models in Third World economies. A traditional sector based mainly on agriculture with poor productivity, low income and surplus of labour and a capitalist sector characterised by technological innovation, labour demand and capital expansion. Primacy was to be accorded to the creation of the conditions for capitalist expansion. This, in turn, would have absorbed the labour surplus from the traditional sector by offering higher wages. Eventually the capitalist sector would have replaced the traditional one.

2 Escobar (1995: 32-33) has eloquently shown how these constructions, which equated non-Western societal and economic arrangements with a burden to be disposed of and in need to be replaced with a capitalist sector, were shaped by the strategic considerations of the ex-colonial powers, in particular the US need to find new markets abroad in which to place its products, invest its surplus capital and access cheap sources of raw materials.

3 The reformist theories referred to here do not represent the rich dependency thinking on development. Those taken into account refer to the analyses and recommendations made by the Structuralist School of thought which influenced the GATT’s development activity between the 1960s and 1980s. See

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Prebisch (1950), Prebisch (1959), Prebisch (1963), Sunkel (1969), Furtado (1964). The theoretical insights into the working of the world capitalist system offered by radical dependency theories and world—systems theories, which challenged the claim that underdevelopment was a social reality that had nothing to do with political and economic exploitation are left out since they did not officially enter the mainstream GATT debate.

On the one hand, as a consequence of the legal reforms leading to non-reciprocity, the trading powers had to compromise on the degree of openness achieved with respect to their output in developing markets. On the other, non-reciprocity applied so long as developing countries’ products did not threaten developed countries’ industries. Indeed, as soon as developing countries’ industrial exports became competitive, the latter responded with mounting and aggressive protectionism. See Trebilcock and Howse, 2005: 233, 301-304, 321-325.


Introduced during the GATT Uruguay Round which led to the establishment of the WTO, the Single Undertaking Approach meant that nothing would be agreed upon until everything on the negotiating table was ultimately accepted by all contracting parties.


To be sure, good governance and institution building are not integral part of the WTO mandate. However, they are referred to in several provisions of the WTO agreements. For instance, see WTO (1995b).

References


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