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**THE CHALLENGES OF TRADE POLICYMAKING:
ANALYSIS, COMMUNICATION AND REPRESENTATION**

by

Craig VanGrasstek

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Chief
Trade Analysis Branch
Division on International Trade in Goods and Services, and Commodities
United Nations Conference on Trade and Development
Palais des Nations
CH-1211 Geneva

Series editor
Victor Ognivtsev
Officer-in-charge, Trade Analysis Branch

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ABSTRACT

This paper examines the challenges posed by trade policymaking for all countries, especially developing countries. The task has become vastly more complicated in recent decades. Those complications stem primarily from an expanding view of what is tradable and, therefore, what topics fall within the scope of trade policy. At the same time that the issue base of the trading system has expanded, so has the range of instruments that countries can negotiate; bilateral and regional options are proliferating. The net result is that the issues in trade policy are now analytically more challenging, policymaking requires that trade ministries engage in active communication with a much wider range of public entities and private interests and they must be prepared to engage in multiple and concurrent negotiations in a variety of forums. This paper analyses these problems, including empirical data on the form and extent of countries' representation in Geneva and a case study on how the United States deals with these challenges. It makes recommendations for research in individual countries in order to pinpoint the problems that they face and review potential responses.

Key Words: Trade policy, trade negotiations, World Trade Organization, developing countries.

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PART I

THE EVOLUTION AND EXPANSION OF THE TRADING SYSTEM

Purpose and thesis of this paper

Trade policymaking is an important but challenging proposition for all countries. That point is doubly true for developing countries, particularly small ones, where trade generally accounts for a large share of gross domestic product, and taxes on trade will provide a large share of government revenue. At the same time, these are the very countries that tend to have the fewest resources available for their trade policymaking agencies. Whether one counts the sheer quantity of personnel, their levels of experience and training, the budgets that are available for technology and data, the number and magnitude of foreign missions, their travel funds or the sophistication of their analytical and consultative mechanisms, developing countries tend to have far fewer means than do the industrialized countries with which they trade and negotiate. In other words, a sad irony is at work here: those countries that depend the most on trade are in the weakest position to affect the rules of the system, and can least afford to make mistakes in their own policy decisions.

The difficulties that trade policy poses for developing countries can be divided into three categories: (a) the problems in the policymaking process itself, especially in the preparation and conduct of negotiations; (b) difficulties in the implementation and enforcement of the commitments that are made in negotiations; and (c) the consequences arising from these commitments. Studies of developing countries' interests in trade naturally tend to emphasize the third point, while paying some attention to the second and very little to the first. That is probably appropriate, considering the fact that policymaking should focus on the actual results. The present study, however, will reverse the order. Most of the emphasis is on the policymaking process, with some commentary on matters related to implementation and administration. The actual objectives that developing countries should seek is a topic beyond the scope of this paper.

The purpose of this paper is to identify the problems encountered by many developing countries in the trade policymaking process. The thesis can be reduced to the following paragraph:

The task of a trade ministry in a developing country has become vastly more complicated in recent decades, making it ever more difficult for a ministry to carry out its core responsibilities effectively. Those complications stem primarily from an expanding view of what is tradable and, therefore, what topics fall within the scope of trade policy. At the same time that the issue base of the trading system has expanded, so has the range of instruments that countries can negotiate; bilateral and regional options are proliferating. The net result is that trade policy issues are now analytically more challenging, policymaking requires that trade ministries engage in active communication with a much wider range of public entities and private interests and they must be prepared to engage in multiple and concurrent negotiations in a variety of forums.

Identifying problems is not the same as solving them, but it is a necessary first step in that direction. While no effort is made here to lay out a specific programme to overcome these obstacles, recommendations are made for research aimed at specifying the problems, while also reviewing potential responses.

Definitions

The key terms in the thesis statement above warrant definition. The main terms used throughout this analysis, *trading system*, *trade policy*, *tradables*, *trade ministry* and the *core responsibility* of a trade

ministry, relate to institutions¹ and their functions. The definitions provided here are intended merely to clarify and facilitate the analysis that follows. None of these terms are formally defined in the instruments of the World Trade Organization (WTO) or any other regional or global body.

The trading system is the body of national and international laws, and the policies and practices that govern the movement of tradables between countries. These rules include, but are by no means limited to, the various agreements that are negotiated in and administered by WTO. The trading system also includes the rules governing regional trade arrangements, such as customs unions and free trade agreements. While WTO is the most significant component of the trading system, it is by no means the only part of that system. When WTO is described to the layperson by policymakers, critics or journalists, it is generally portrayed as the international organization that makes the rules governing trade. That thumbnail description is inaccurate. It is a mistake to view WTO – or any other international organization – as something that exists apart from the will of its members. While WTO agreements are legally binding, they are not exclusive and comprehensive legal instruments. Most of them² can be better described as rules about rules, insofar as they set parameters within which countries operate. The same may be said for bilateral and regional agreements. The rules are ultimately the acts of the national governments that publish tariff schedules, collect the revenues, enact and enforce anti-dumping laws, and so forth.

Trade policy may be defined as the development and enforcement of national laws and international agreements that are intended to, or have the effect of, regulating the cross-border movement of tradables. That basic definition can be applied to any country and any period of history, but the scope of its meaning depends critically on what is considered to be a tradable. The definition of tradables has changed radically in the past few decades. It was once confined solely to goods, and the field of trade

policy thus consisted primarily of tariffs, quotas and related measures, most of which were imposed at the border. The range of tradables has since grown to include services, capital, ideas and even people – or at least the services that they embody. This development has transformed trade policy into a sprawling, complex field of public policy, encompassing an array of policy instruments that are employed both at and behind the border. This puts a serious strain on the resources of all trade agencies, especially those in developing countries.

A deliberate simplification used in this paper is the term “trade ministry”. It is employed here as if all countries concentrated their core trade policymaking functions in a single entity. In practice, these functions are sometimes spread out over more than one institution. The trade ministry refers to that single institution of government, or that cluster of institutions, that is entrusted with the core responsibility of trade policymaking, as defined below. This report makes no effort to identify the best approach that countries might take with regard to the ministerial division of labour. Trade policy is conducted at the intersection of foreign policy, fiscal policy and domestic economic and social policy, and there are many ways that a country might choose to reconcile the often competing demands of the main ministries involved. The simplest arrangement is one in which there is an institution that bears the title “Ministry of Trade” – or some minor variation thereon – in which all of the functions described here are performed by a single entity. Another option is for these functions to be performed principally or entirely by an institution that is housed within another institution, whether it be the ministry of foreign affairs, of economy, or of the treasury; some countries establish a special trade policymaking body that may bring together representatives from more than one ministry, and may also have some functionaries who are unique to the coordinating body. The main point here is that no matter which ministry or group of ministries might be granted principal control over the issue, mechanisms must be in place that allow all other interested agencies to keep informed, provide input and ensure that the interests of their constituencies are taken into account.

The core responsibility of a trade ministry is the negotiation and implementation³ of trade agreements. This core is to be distinguished

¹ The term “institutions” has been the subject of lengthy analysis by economists, political scientists and practitioners of other disciplines. For a summary of the meaning of this term within the school of new institutional economics, see Basu, A new way to link development to institutions, policies and geography.

² This point does not apply to those agreements that deal with the actual operation of WTO as an institution. For example, many agreements include provisions that establish committees, councils or other subsidiary bodies within WTO, set the rules by which disputes are handled or decisions are rendered, or provide for the conduct of certain operations such as the trade policy review mechanism. These are indeed rules that do not depend on the actions or laws of individual member countries, but they deal more with the process than the substance of the trading system.

³ The enforcement of countries’ commitments in trade agreements, especially through the dispute-settlement mechanisms of WTO or other institutions, is not discussed at length in this paper. For reasons of simplicity, dispute-settlement is considered to fall within the broad category of implementation, an activity that has both internal and external dimensions.

from whatever other responsibilities may also be performed by that ministry;⁴ those other activities may also be important, but are not the focus of the present analysis. The core responsibilities also must be distinguished from trade-related tasks that are often performed by other ministries or agencies, such as the collection of tariffs or the enforcement of trade laws. The core responsibility can be further broken down into the three main activities that must be conducted in a trade negotiation. At a minimum, every country that hopes to participate effectively in the trading system needs to perform the following tasks:

- **Analysis:** A trade ministry must have the capacity to collect, analyse, utilize and disseminate information that relates to trade. Trade policymaking is largely a matter of information management, and this information comes in a wide variety of forms: statistical data relating to the domestic and the international economy, the barriers to tariff and non-tariff trade imposed by a country and its partners, treaties and other legal instruments, national laws and regulations, and academic analyses.
- **Communication:** This term refers to the internal communications that must take place in order to devise and pursue a country's trade policy. This means handling not only the objective information that falls within the aforementioned analytical function, but also the subjective requests, arguments and demands that the ministry receives from stakeholders inside and outside of government. A trade ministry must ensure that there is an adequate flow of communication between itself, other government agencies and civil society. Those communications need to be conducted before negotiations, when devising national positions; during negotiations, when responding to other countries' positions and adjusting its own; and after negotiations, when agreements are being approved and implemented.
- **Representation:** This term is used here to mean the external representation that must be made on behalf of a country. This includes the trade ministry's preparation of written representations to its foreign counterparts and to international organizations, its permanent presence in foreign missions, its participation in ministerial meetings, the hosting of international gatherings, and so forth. The associated term

“representative” is used here to mean any person who acts in this capacity on behalf of a country, whether that person is employed by the foreign ministry and holds a formal title and rank that is traditionally associated with diplomats, such as first secretary or ambassador, or is an employee of the trade ministry or some other governmental body.

As discussed below, the changes in the trading system over the past generation have made it more difficult for countries to conduct all three core responsibilities. The newer issues in trade policy are far more complicated to analyse than simple trade in goods and require that countries develop more sophisticated systems of internal communication and external representation.

Problems in analysis: the expanding issue base

The most significant development in trade policy over the past generation has been the expansion in the scope of issues that are defined to fall within the trading system. Topics such as investment and intellectual property rights have been discussed nationally – and to some degree internationally – in the sense that national governments have been required to develop laws and policies on these matters. What is new is a redefinition of these issues as being within the scope of trade policy, a development that implies a change in the relationship between national laws and international commitments. Once an issue has been defined to fall within the scope of the trading system, it is more likely that countries will make binding and enforceable commitments, and thus may place limits on the actions that they might take autonomously.

The expansion in the issue base of the trading system can be traced primarily to a redefinition of what is traded. Until a few decades ago, the only recognized tradables were goods, that is, tangible objects such as food or clothing. Trade meant only the movement of goods across borders, and the only available instruments of trade policy were tariffs, quotas and other measures that directly regulated these transactions at the border. The only significant expansion in the meaning of trade barriers was the growing recognition that non-tariff measures often exceeded tariffs as restrictive instruments. Because of advances in technology and the demands of major players in the system, most notably the United

⁴ In addition to the negotiation and implementation of trade agreements, a trade ministry will often be called on to perform other functions such as trade promotion (e.g., participation in trade fairs), assisting exporters in meeting the rules of origin for preferential programmes or agreements, the administration of trade sanctions, and so forth.

States,⁵ trade policy now deals with other articles of commerce such as the cross-border movement of services; capital, or investment; ideas, or intellectual property; and even people, that is, the presence of natural persons as service providers. In turn, this means that trade rules affect a much greater array of policy instruments and regulatory authorities. As a result, non-tariff measures have gone from being an additional concern to being the central problem. Trade policy has also come to be linked to many other issues, including some that are related to the production, distribution and use of these goods, for example, labour and environmental matters, and others in which the relationship is controversial and will be determined in large part by politics, for example, the observance of human rights in the country of origin.

One consequence of the expanding scope of trade is that it is no longer readily ascertainable whether a country's partners, or even its own laws, are in compliance with all of the obligations of the system. Back when tariff measures comprised the bulk of trade instruments, implementation and compliance meant little more than ensuring that a country's applied tariffs did not exceed the bound rates, and that the rules of non-discrimination – most-favoured nation treatment and national treatment – were not violated. In many cases, violations of these rules attracted widespread attention. Today it is possible for a country's policymakers to be blithely unaware of the fact that some new law or regulation that they are about to enact is out of compliance with the obligations undertaken in one of the more technically complex WTO agreements or free trade agreement chapters. There are some means⁶ available to help identify potential problems before they erupt into fully fledged cases in WTO's Dispute-Settlement Body, but the magnitude and diversity of the cases on its docket testify to the fact that these mechanisms do not always work. If countries sometimes find it hard to ensure their own compliance, it is even more challenging to collect and analyse the information needed to ensure the compliance of their many partners.

It took several decades for the trading system to delve into these deeper matters. A crucial step came in the early 1960s, when agricultural trade received

new attention. That initial forum was not very successful, as agriculture was not fully incorporated into the trade regime until the 1990s. The largest expansion in the system came in the early 1980s, when the United States brought new issues to the table: services, intellectual property rights and investment. The addition of services was singularly significant, given the overwhelming importance of the services sector for modern economies. Two subsequent attempts to expand the issue base have been decidedly less successful. These were the failed efforts of the United States in the 1990s to bring labour rights and the environment within the scope of WTO rules, and the failure of the European Union to launch negotiations within the Doha Round on competition policy, government procurement and investment. These setbacks notwithstanding, the trading system today incorporates a vastly more complex set of tradables, issues, rules and commitments than did the old regime under the General Agreement on Tariffs and Trade (GATT).

If the trading system is now more comprehensive, it is also far more difficult to manage. The issues surrounding trade in goods had been relatively simple. Any reasonably intelligent and diligent person with access to trade data and tariff schedules can be readily trained to analyse such questions as whether a country's own tariffs are rationally related to the interests of producers and consumers, whether its partners' tariffs restrict, facilitate or discriminate for or against its own exports, how individual tariffs might be affected by one or another tariff-cutting formula and whether accepting a proposed deal would have a small or a large effect on government revenue. These questions might be addressed in simple calculations, or in sophisticated econometric models, but in either case they are conceptually easy to grasp. Not all countries have all of the data, technology, or human capital that is needed to conduct such analyses, as discussed in part III of this paper, but at least any shortcomings can be readily identified and solutions prescribed.

The same should theoretically be true for trade in services, and indeed the overall scheme of the General Agreement on Trade in Services (GATS) closely mimics the principles and structure of the goods-oriented GATT. On closer inspection, however, trade in services is conceptually far more complex than trade in goods. To begin with, the way in which commitments are negotiated and expressed is entirely different. When dealing with goods, countries are assumed to trade via just one mode – cross-border trade – and make simple commitments in the form of numerically precise tariff bindings. In contrast, GATS is based on a wider range of transactions – four modes of supply – and an almost infinite range of commitments –

⁵ This point is further developed in part II, which enumerates the growing list of issues that the United States has promoted as the chief *demandeur* within WTO.

⁶ WTO's Trade Policy Review Mechanism provides for regular diagnostics of all members' trade policies, and can help identify areas in which a country's laws and policies may need to be brought into compliance. However, the review mechanism is not intended to serve as a basis for the enforcement of specific obligations under the multilateral and/or plurilateral trade agreements or for dispute-settlement procedures, or to impose new policy commitments on members.

all, nothing and anything in-between. Nor can the analyst immediately gauge the actual effect of these commitments. Unlike trade in goods, where it is easy to determine whether there is any difference between a country's bound and applied tariffs, knowing the applied rates for a service sector would require a review of all the laws and policies of a country in that area. Looking at a country's GATS commitments, it is difficult to ascertain whether they are truly liberalizing, or are just bound at the applied rate, or even above that rate, that is, to permit a country to become more restrictive than it presently is. Matters are further complicated by the lack of a universally accepted nomenclature for services. In other words, there is nothing to match the Harmonized System for goods, and even the most economically advanced countries' statistics on trade in services are at best incomplete. These problems carry over into the communication between trade ministries and other stakeholders, as discussed in the next section. In brief, whatever similarity may exist in theory between goods and services is undone in practice, which taxes the abilities of even the richest and best-organized trade ministries.

Issues such as intellectual property rights and investment also pose problems for analysts, such as the availability and reliability of data, and greater legal complexities. Perhaps the most difficult aspect of these issues, from the perspective of a trade ministry, is the way in which they expand the range of domestic interests that must be consulted and balanced. This is discussed below.

Problems in communication: the range of principals and agents

Policymaking in any field requires communication between agents, or negotiators, and their principals, those on whose behalf the agents act. One consequence of the expanding scope of trade policy is that it creates confusion over who is the principal and who is the agent, and thus complicates the flow of information, analysis and control.

Consider first the situation some decades ago, when trade policy consisted of little more than the adjustment of tariffs and other border measures. Industrialized countries generally adjusted those tariffs through negotiated agreements, while many developing countries raised or lowered tariffs on a more autonomous basis. However, officials in both types of countries dealt with more or less the same array of domestic interests and institutions. A trade ministry acted primarily as the agent for two sets of principals: the country's private sector and its

ministry of finance. Acting on behalf of the private sector, the trade ministry sought to secure deals that opened foreign markets to the country's exports while protecting some items produced at home. Acting on behalf of the ministry of finance,⁷ the trade ministry also strove to ensure that tariff cuts did not sacrifice too much government revenue. The trade ministry might also be obliged to consult with the foreign ministry, if indeed they were different institutions, so as to avoid conflicts between commercial policy and diplomacy. Depending on the issues at hand, it might also be necessary to canvass the views of the ministries of agriculture and labour. While this balance of commercial, fiscal, diplomatic and other objectives could sometimes be difficult to achieve, it was relatively manageable.

Matters are far more complex today; trade policy has come to incorporate an increasingly wide range of subject matter. Trade in services impinges on the sphere of competence of the ministries of transportation, health and education, among others; intellectual property rights and geographical indications affect a country's scientific, industrial, agricultural and educational policies; agreements involving sanitary and phytosanitary measures and technical barriers to trade could require changes in many national standards, procedures and enforcement mechanisms; negotiations about agriculture, and potential discussions about labour and environmental matters raise sensitive questions of social policy. Today there is almost no government agency that does not deal with trade-related issues, and that can thus afford to ignore those talks.

The introduction of these new issues can disrupt well-established relationships between domestic industries and the government agencies that regulate and/or service them, and between these agencies and the international organizations that deal with their topics.⁸ Whenever an issue is redefined to be trade-related, it inevitably means that some measure of authority is transferred to the trade ministry from other governmental bodies. That transfer will frequently be resisted by the principals in civil society and their agents in government out of concern that trade policymakers have neither the expertise nor the political commitment needed to protect their interests. While the issue may be settled at the international level, insofar as new agreements are reached and approved, it may remain an open question at the domestic level.

⁷ In many cases the trade ministry is a part of the ministry of finance. That also applies to the reference in this paragraph to the ministry of foreign relations, which probably handles trade policy in an even larger number of countries.

⁸ International organizations are discussed in the next section.

It is beyond the scope of this paper to resolve the often profound controversies in this area. What is indisputable, however, is that whatever approach a given country takes towards negotiations on new issues in trade policy – as a *demandeur*, an implacable opponent or something in between – the issues today require that trade negotiators establish much more extensive lines of communication than they did in past decades. It is no longer sufficient to deal with the main export-oriented or import-affected industries in the country and the ministries of finance and foreign relations. Mechanisms need to be established to ensure a regular exchange of information between the ministry of trade when it is acting as the agent and the relevant principals. The latter should share issues of concern with the ministry, and the ministry, in turn, should keep the principals informed about developments in trade negotiations.

Problems in representation: the proliferation of options

The range of trade policy issues has grown along with the options for negotiations. Options are the different institutions and agreements that may be utilized or created in order to address an issue. It is true that WTO is now a virtually universal institution: As of year-end 2006, the Organization numbered 149 members, and 30 more countries were in the process of acceding to it; it also had 2 observers that were not seeking accession.⁹ Only 16 countries in the world had no relationship with WTO.¹⁰ Despite that global reach, however, WTO is not the only organization that deals with trade matters. Countries can negotiate trade agreements in a variety of configurations, ranging from purely bilateral undertakings to near-universal multilateral agreements. Trade policy is thus developed in a series of policymaking institutions, no one of which will always dominate the others. The central institutions for a country's trade policy are its own laws and bodies, but these are subject to the commitments that a country makes in regional trade arrangements or in multilateral institutions. Some regional institutions are evolving from

relatively simply customs unions¹¹ into true common markets,¹² making regional trade diplomacy even more complex than before.

One of the perennial debates in this field is whether discriminatory agreements are a good or a bad development for the system as a whole. The arguments for and against discrimination involve such issues as trade creation versus trade diversion, the demonstration effect that smaller agreements on new issues can have for the system as a whole, the political consequences, good or bad, of treating some countries more favourably than others, or yet the erosion of regional preferences that will result from multilateral liberalization. It is well beyond the scope of the present paper to say whether, on balance, these considerations point to discrimination being a net positive or a net negative. Clearly, the proliferation of options places a strain on the resources of trade ministries. Countries that once faced simple choices about whether or not to join GATT, and then whether or not to establish a permanent mission in Geneva, must now be prepared to sustain simultaneous negotiations at the bilateral, regional and multilateral levels.

The proliferation of options also raises concerns over the coherence of international institutions. The partial list of WTO agreements in table 1.1 serves two purposes. First, it shows the range of issues that are now dealt with in the Organization, many of which were either left out of GATT altogether or handled less comprehensively. Second, the list shows how these newer topics tend to encroach on territory that had earlier been seen as that of other international organizations. That reflects a major reordering in the relative positions of the United Nations-related organizations¹³ that were created in the aftermath

¹¹ The difference between a free trade agreement and a customs union is in the treatment extended to imports from third parties. Whereas the members of a free trade agreement will each retain their own sets of tariffs to third-country goods, the members of a customs union will have a common external tariff in place, that is, imports from a country outside that group will be subject to the same tariff rate whenever they are imported into one of the member countries.

¹² A common market goes beyond a customs union to provide for the free movement of factors of production – capital, labour, and so forth – and may also entail such additional steps as a single currency, the harmonization of laws and even the melding of national and regional institutions.

¹³ There is some dispute regarding the place of GATT/WTO in the United Nations system. In certain respects WTO is seen as part of that system, for example, in its representation in United Nations management bodies and in other respects it is not, for example, in the separate pension system for WTO officials. Perhaps the most important distinction between WTO and most other global organizations is that the United Nations specialized agencies are founded on a principle of inclusiveness, in which virtually all countries are assumed to have by right a place at the table, whereas membership in WTO is a privilege that must be "bought" through the commitments that a country makes on its accession.

⁹ The Holy See and Equatorial Guinea.

¹⁰ The only countries that are not members, acceding, or observers are Comoros, Eritrea, Kiribati, Liberia, Marshall Islands, Micronesia, Monaco, Nauru, Democratic People's Republic of Korea, Palau, San Marino, Somalia, Timor-Leste, Turkmenistan, and Tuvalu. The Syrian Arab Republic is a special case, as it is the only country that has applied to accede for which the process continues to be blocked by other WTO members.

Table 1.1.

Principal WTO agreements that address issues dealt with in other international organizations

Agreement	Significance	Other organization(s)
Understanding on Rules and Procedures Governing the Settlement of Disputes	Compared with weak, easily evaded GATT rules on dispute-settlement, puts WTO members in a much stronger position to challenge other members' laws and measures that are alleged to violate the rules.	International Court of Justice
General Agreement on Trade in Services	Establishes a set of rules governing trade in services modelled after GATT's rules for trade in goods.	United Nations Educational, Scientific, and Cultural Organization; World Health Organization; International Labour Organization
Agreement on Agriculture	Reincorporates agricultural issues into the multilateral system by providing rules on market access and production and export support.	Food and Agriculture Organization of the United Nations
Agreement on Trade-Related Aspects of Intellectual Property Rights	Establishes disciplines affecting the protection and enforcement of patents, trademarks, copyrights and other forms of intellectual property rights.	World Intellectual Property Organization; World Health Organization
Agreement on Trade-Related Investment Measures	Bans the use of certain performance requirements, such as requiring that a foreign investor export a certain percentage of its production.	International Monetary Fund
Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994	Deals with the valuation of goods for customs purposes and provides that the primary basis for customs value is transaction value.	World Customs Organization
Agreement on Rules of Origin	Provides for interim disciplines to be employed until members negotiate a definitive agreement on the application of non-preferential rules of origin.	World Customs Organization

of the Second World War. The great irony is that GATT at first appeared to be the weakest of all these post-war international institutions, lacking even the essential attributes of a bona fide international institution,¹⁴ but WTO has become the strongest and most expansive among them.

The Bretton Woods model of international organizations was one in which global institutions were collectively intended to resemble the structure of national governments: a legislature, embodied in

the United Nations General Assembly;¹⁵ a judiciary, in the International Court of Justice; and a central bank, in the World Bank and the International Monetary Fund. This system would have its equivalents of the ministries of agriculture in the Food and Agriculture Organization of the United Nations, education and culture in the United Nations Educational, Scientific and Cultural Organization, health in the World Health Organization, labour in the International Labour Organization, and so forth. The proposed International Trade Organization was thus intended to perform the functions of a global trade ministry. Some idealists hoped that these institutions would form something akin to a world

¹⁴ Technically speaking, GATT was not even considered to be an institution. It was instead a contract between governments, to which was attached a small secretariat. Countries were not members, but contracting parties, and the rules of the agreement were said to be established provisionally and not definitively. That all changed with the establishment of WTO, which is a true international organization with members, a permanent secretariat and a definitive application of rules.

¹⁵ One might further argue that the legislative function fits the bicameral model of the British Parliament and the United States Congress, in which there is an upper chamber, the House of Lords or the Senate, which acts as a review body for the actions of the lower chamber, the House of Commons or the House of Representatives. That analogy is not precise, however, as the Security Council is both more and less than a review body for the General Assembly.

government, but a series of problems prevented anything of the sort from emerging. The most significant of these were the strong attachment that all countries have to their own sovereignty, and the tensions and divisions of the cold war. In the trade field, the United States Congress refused to adopt the International Trade Organization's Havana Charter, a decision that led to the establishment of GATT.

A gradual migration of issues took place because GATT and WTO could more effectively enforce – or at least they could allow member States to enforce – the commitments made there. That point has not been lost on *demandeurs*, for whom the trade body is a much more attractive option than the other international organizations. All the efforts to expand the scope of GATT and WTO inspired struggles between countries that hoped to make new and binding rules, and others which preferred to keep the issues in the other bodies. The *demandeurs* have sometimes won, as is the case for services and intellectual property rights, and sometimes lost, as is the case for labour rights, but the general tendency has been towards an expanded definition in the scope and writ of the trade regime. This process has continued to the point where GATT, initially an option chosen by relatively few countries, was replaced by an organization in which membership has become practically an essential attribute of citizenship in the global community.

Conclusions

This section has summarized the key shifts in the scope and composition of the trading system. The net result is a vast change not only in the quantity of data and decisions that must pass through the hands of a trade ministry, but also in the qualitative nature of the issues that the ministry must handle. A generation ago, trade policy consisted of little more than the adjustment of tariffs, which developing countries did on a largely autonomous basis, and the pursuit of preferential access to foreign markets, which developing countries sought on a non-reciprocal basis. This made for a very narrow range of decisions on the part of a trade ministry. The country may have felt little need to join GATT. Many of the developing countries in GATT had entered via the simple process of succession, rather than the more demanding accession procedures,¹⁶ and usually faced little pressure to maintain a permanent mission in Geneva. Even those countries that had such missions were not likely to see multilateral negotiations as key components of their development

strategy. A developing country in GATT could ensure that most multilateral agreements were not binding on it, either by deciding not to sign on to a specific agreement – code reciprocity – or by taking full advantage of its exemptions and exceptions.

That has all changed dramatically. Now that trade policy covers a far wider array of issues and negotiations are conducted on the basis of a single undertaking by which all countries adopt all agreements, a trade ministry must be far more active, informed and involved. That is true both at home, where the range of affected constituencies and ministries has expanded, and abroad. Apart from a small and shrinking number of holdouts, nearly every country in the world today has joined WTO or is seeking admission. Members are also more active. Of the 149 WTO member countries, only 17 of the smallest and poorest among them remain non-resident, meaning that they do not have a permanent mission in Geneva. Nor is WTO the sole negotiating forum at a time when every member other than Mongolia is actively engaged in the negotiation of free trade agreements, customs unions or other forms of regional trade arrangements. A trade ministry official around 1980 could afford to be a stay-at-home drudge who dealt with semi-current trade data and a narrow range of issues. The modern counterpart is ideally a Renaissance person who travels the globe, surfs through cyberspace, works with real-time numbers and is plugged into domestic political and economic networks covering a wide range of issues in a shifting array of bilateral, regional and multilateral negotiations.

That at least is the ideal, but even the largest and richest WTO members sometimes struggle to keep abreast of all these developments. How have members coped? Part II examines the experience of the United States in the creation and evolution of its own policymaking institutions. While many aspects of the US policymaking model are unique to the traditions and constitutional arrangements of that country, and thus do not offer real guidance to other countries with very different political cultures, there are some that are well worth emulating. Chief among these is the manner in which all segments of civil society and the government agencies that regulate and represent them are consulted with in the development of negotiating positions. Part III outlines the participation of developing countries in the trading system. Given the diversity of countries involved, it is not possible to conduct the same type of detailed and empirical examination as for the United States. The paper concludes with an examination of data in one area – the extent of countries' representation in Geneva – and makes recommendations for further research in this area.

¹⁶ The differences between succession and accession and the possible implications for countries' activism within GATT and WTO are discussed in part III of this paper.

PART II

THE EXAMPLE OF THE UNITED STATES

Introduction

One way to look at how countries cope with the challenges of an expanded trading system is to review the policymaking process of the largest member of that system. The case of the United States is offered here as an example of how a country with large resources has dealt with the challenges of analysis, communication and representation. It must be stressed from the outset that this examination does not proceed from the assumption that the United States offers a model of best practices that should be adopted uncritically by all other WTO members. Different political cultures, not to mention wide disparities in government revenue, preclude that. There are nevertheless some aspects of the United States' approach that other countries would do well to consider, especially in the area of communication. As for the fields of analysis and representation, the United States model offers a suggestion of what might ideally be achieved when resources are abundant.¹⁷

¹⁷ Abundance is entirely a matter of perspective. There is perhaps no governmental agency whose employees believe that they are given sufficient resources to do their jobs properly, and the US trade policymaking agencies are no exception. This is especially notable in the case of the United States Trade Representative, which often seems to express a contradictory institutional self-image. On the one hand, the Office of the United States Trade Representative is considered to be an elite institution of government, and many officials in other agencies are eager to obtain temporary transfers or permanent postings there. On the other hand, officials in the Office of the United States Trade Representative often complain that the agency has too few funds and people, given the proliferation of bilateral negotiations. They will sometimes observe, for example, that they have far less staff assigned to a given negotiation than their counterparts in another country, and that their total budget is less than the travel budget for some other US Government agencies. Those complaints will usually fail to mention the fact that the Office of the United States Trade Representative is backed up by many more personnel in other agencies, notably the United States International Trade Commission. Such disparities would rapidly disappear if the Office of the United States Trade Representative called on resources available in other government agencies. By comparison with their counterparts in most countries, the trade policymakers in the United States have access to an enviable wealth of data, analysis, institutional memory and other vital resources.

What is unique, and what is not, about the United States

The United States can be said to be a unique member of the World Trade Organization in one respect, and an unusual one in another. The United States is unique in that it is the world's largest trading country. Where the United States is unusual, but not unique, is in its constitutional arrangements. Most of the world's countries are representative democracies, as is the United States, but only a minority of them have federal systems that leave considerable authority to their subnational units. The United States Congress has more power vis-à-vis the executive, especially in the field of trade policy, than any of its counterparts. Nonetheless, the United States faces fundamentally the same problems in trade policymaking as do all WTO members: its trade policymakers must analyse information in a wide range of topics, communicate with an array of interests and agencies that deal with those topics and represent the American position in multiple and concurrent negotiations.

One consequence of size is that the United States is in a much stronger position than other WTO members to act as a *demandeur*. Over the course of the past seven decades, the United States has wielded much more influence than any other country or set of countries in determining not just when to negotiate, but what topics should be discussed. As shown in table 2.1, the trade laws enacted by the United States Congress since the 1930s have called for negotiations on an ever-expanding list of issues. From the original issue in the trading system, duties or other import restrictions, the list of United States desiderata has grown to cover no fewer than 18 topics. Not all of the issues that the United States has brought to the table have led to actual agreements and commitments, and some of them have either been soft-pedalled by an administration¹⁸ or dropped altogether in later

¹⁸ This was especially true for some of the objectives laid out in the 1988 Trade Act, which was developed by a Congress dominated by Democrats but then implemented by a Republican administration.

Table 2.1.

The depth of negotiating objectives set by selected United States trade laws, 1934–2002

1934	1962	1974	1988	2002
Duties or other import restrictions	Duties or other import restrictions Conservation of fishery resources	Agricultural and industrial trade barriers and distortions GATT revision Developing countries Safeguards Access to supplies Freedom of emigration from Communist countries	Tariffs and other barriers Agriculture Specific barriers Border taxes Improvement of GATT Developing countries Safeguards Dispute-settlement rules Services Intellectual property rights Foreign direct investment Unfair trade practices Transparency Workers' rights Current account surplus Trade and monetary coordination	Trade barriers and distortions Fish industry Reciprocal trade in agriculture Border taxes Improvement of WTO and multilateral trade agreements WTO-extended negotiations (civil aircraft and rules of origin) Trade-remedy laws Dispute-settlement and enforcement Trade in services Intellectual property Foreign investment Transparency Labour and the environment Worst forms of child labour Anti-corruption Regulatory practices Electronic commerce Textile negotiations

Source: Texts of public laws 73-316, Reciprocal Trade Agreements Act of 1934; 87-794, Trade Expansion Act of 1962; 93-618, Trade Act of 1974; 100-418, Omnibus Trade and Competitiveness Act of 1988; 107-210, Trade Act of 2002.

Note: The order in which objectives were stated in the 1988 and 2002 laws has been rearranged here in chronological order so as to facilitate comparisons between laws.

congressional enactments.¹⁹ The general pattern, however, is clear: the scope of objectives laid out in American trade laws tends to expand over time, and is at least partly reflected in what countries ultimately agree to in trade agreements.

Our review of the United States policymaking model need not dwell on those aspects that are sui generis and inapplicable to countries with largely different constitutional arrangements or political cultures. Two major issues arise here: the horizontal division between the branches of government, that is, executive versus legislative institutions, and the vertical division between levels of government – national governments versus subnational units. Most reviews of US trade politics focus on the perennial, horizontal conflict between the executive and legislative branches

of government.²⁰ No other country in the world

²⁰ The United States Constitution poses a problem by providing that the regulation of commerce is a congressional prerogative, but also implying that it is the executive branch that has the upper hand in foreign policy, although there are certain checks and balances. The tension between the two branches was resolved in favour of the legislature during the period 1789–1930, when trade policy consisted almost exclusively of periodic revisions in the tariff schedule by Congress. The State Department negotiated few trade treaties during this time, and the Senate approved even fewer. In 1934, however, Congress started to delegate much of its authority over trade policy to the executive branch. During the first part of this period (1934–1967), these delegations of authority allowed the president to negotiate tariff-reduction pacts as executive agreements, that is, instruments that could be put into effect without subsequent congressional approval. Since 1974, Congress has delegated power to the executive in the form of fast-track authority, known since 2002 as trade-promotion authority. This authority, which applies to both tariff and non-tariff pacts, is based on the use of congressional-executive agreements. These require that the terms of those agreements be translated into implementing legislation that is then subject to approval by Congress, under special rules that prohibit amendments and limit the period of debate.

¹⁹ That was the case, for example, with the rather half-hearted efforts that were made in the 1980s to establish linkage between trade and monetary policy.

extends so much power to its legislative body.²¹ While it is important for any country that deals with the United States to understand how this aspect of the trade policymaking system works, they need not look in that direction for specific guidance on how their own governmental institutions should be reordered.

As for the vertical division between government levels, the United States experience is more relevant for some countries than it is for others. Similar issues arise with respect to Canadian provinces, Swiss cantons, German Länder and the states or other subnational authorities in some large, developing countries such as Brazil, China and India, but are usually absent in countries that have strong central governments such as France, and/or are relatively small. The state governments in the United States have primary or shared jurisdiction with the Federal Government in several areas, including the regulation of financial services, sales taxes and the enforcement of sanitary and phytosanitary rules. Moreover, almost all of the 50 state governments now have an office responsible for promoting trade and investment, and many states even have overseas offices for this purpose. These issues will not be discussed for purposes of simplicity because these vertical divisions are not found in all developing countries. Suffice it to say that, as in the case of the consultative mechanisms for dealing with executive agencies and civil society (see below), the US trade policymaking system includes procedures and institutions for dealing with state and local governments. These include the Intergovernmental Policy Advisory Committee and regular consultations with state governments on matters such as US commitments with regard to government procurement.

How do trade policymakers carry out their tasks? How do they deal with civil society and with other agencies in the executive branch? The United States experience offers some valuable insights into those issues.

²¹ This point can best be understood by considering a specific power of the upper chamber of Congress: the United States Senate is the only national legislative institution in the world that has the power to amend treaties. That power is not specifically provided for in the Constitution, but has nonetheless been exercised freely ever since the Senate acted in 1795 to amend a treaty between the United States and Great Britain. Significantly, that amendment concerned a matter of trade policy – senators amended the treaty by removing an article that restricted US trade with British possessions in the Caribbean. Once the American president and the British Government had accepted the treaty as amended, the precedent was clearly established. The fact that the Senate can amend treaties is one of the chief reasons why trade agreements in the United States today are handled not as formal treaties in the US sense of that term, but as congressional-executive agreements that Congress may approve or reject, but cannot amend.

Trade policymaking institutions in the United States Federal Government

As shown in table 2.2, the government agencies that are involved in trade policymaking and enforcement employ about 100,000 people. The institutions that are most directly and intensely focused on trade policy are grouped together here as the core trade policy agencies, and might be said to form the functional equivalent of a trade ministry.²² While all of the employees and budgets of the three core agencies are devoted to trade policy, many of the resources in the other agencies are allocated for other, but often related, purposes. For that reason, the breakdowns given in the table, and especially the approximate shares of total personnel, may somewhat overstate the budget and staff that are available to the US trade policymaking community. The overall figures are nonetheless useful in revealing some broad observations and generalizations.

By comparison with the trade policymaking bodies of other countries, the United States agencies may seem abnormally large. The personnel listed in table 2.2 outnumber the populations of five WTO member countries, for example, and are larger than the entire governments of many others. Seen in the context of the United States economy and political system, however, they form a small part of a Federal Government that is, at least by comparison with the 50 state governments, relatively small. Even if all 96,346 people shown in table 2.2 are counted as working in trade policy – and many of them clearly are not – that still represents just 3.5 per cent of the Federal Government workforce, 0.4 per cent of the total government workforce made up of Federal, state and local employees and less than 0.1 per cent of the total non-agricultural workforce in the United States.²³

The Office of the United States Trade Representative is undoubtedly the most visible component of the American trade policymaking community. It is nevertheless one of the smallest parts of that community. The 212 employees of the Office of the United States Trade Representative constitute less than one-tenth of the core trade policy agencies, and only one fifth of 1 per cent of the total trade policymaking community in the executive

²² See part I of this paper for a discussion of this point.

²³ In 2005 the non-agricultural workforce of the United States totalled some 133.5 million people, of which 21.8 million, or 16.3 per cent, worked in government agencies. Of those 21.8 million government employees, just 2.7 million worked for the Federal Government. Calculated from Council of Economic Advisors data available on-line at http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=economic_indicators&docid=14jn06.txt.

Table 2.2.
Resources of trade-related agencies of the United States Government

Agency	Number of staff	Approximate share (in percentage)	Budget (\$million)
<i>Core trade policy agencies</i>	2,792	2.9	497
United States Department of Commerce: International Trade Administration	2,211	2.3	395
United States International Trade Commission	369	0.4	61
Office of the United States Trade Representative	212	0.2	41
<i>International bureaus of other executive agencies</i>	>1,250	1.3	>215
United States Department of Agriculture: Foreign Agricultural Service	777	0.8	133
United States Department of State: Bureau of Economic, Energy and Business Affairs	210	0.2	31
United States Department of the Treasury: Office of International Affairs	173	0.2	26
United States Environmental Protection Agency: Office of International Affairs	90	0.1	25
United States Department of Labor: Bureau of International Labor Affairs	NA	NA	NA
<i>Research, statistical, and advisory bodies</i>	15,995	16.6	1,952
United States Department of Commerce: Census Bureau	8,433	8.8	739
United States Government Accountability Office	3,189	3.3	482
United States Department of Labor: Bureau of Labor Statistics	2,368	2.5	446
United States Department of Agriculture: National Agricultural Statistics Service	1,017	1.1	129
United States Department of Commerce: Bureau of Economic Analysis	543	0.6	77
United States Department of Agriculture: Economic Research Service	421	0.4	75
Council of Economic Advisors	24	0.0	4
<i>Administration and enforcement</i>	75,666	78.5	13,048
United States Department of Homeland Security: United States Customs and Border Protection	32,397	33.6	5,745
United States Department of Homeland Security: United States Immigration and Customs Enforcement	14,600	15.2	2,841
United States Department of Agriculture: Food Safety and Inspection Service	9,373	9.7	808
United States Department of Commerce: United States Patent and Trademark Office	6,825	7.1	1,402
United States Department of Agriculture: Animal and Plant Health Inspection Service	6,095	6.3	1,109
United States Department of Justice: Bureau of Alcohol, Tobacco, Firearms and Explosives	4,697	4.9	860
United States Department of the Treasury: Alcohol and Tobacco Tax and Trade Bureau	510	0.5	84
United States Department of Transportation: Maritime Administration	462	0.5	87
United States Department of Commerce: Bureau of Industry and Security	361	0.4	60

.../...

Table 2.2. (continued)
Resources of trade-related agencies of the United States Government

Agency	Number of staff	Approximate share (in percentage)	Budget (\$million)
Federal Communications Commission: International Bureau	146	0.2	19
Federal Maritime Commission	124	0.1	19
United States Court of International Trade	76	0.1	14
Trade and investment promotion	>643	0.7	>578
Export-Import Bank of the United States	398	0.4	106
Overseas Private Investment Corporation	201	0.2	43
United States Trade and Development Agency	44	0.0	50
United States Department of Agriculture: Commodity Credit Corporation Export Loans Program	NA	NA	379
Small Business Administration: Office of International Trade	NA	NA	NA
Total	>96,346	100.0	>16,290

NA: Separate data are not available for the institution in question.

Source: Calculated from data of the Office of Management and Budget, *Budget of the United States Government, Fiscal Year 2007: Appendix*, supplemented by information obtained directly from government agencies.

Note: Actual figures for fiscal year 2005; staff are full-time equivalents, and budgets are actual outlays. Shares of total staff are approximate owing to lack of data for some agencies.

branch of the Federal Government. The functions of the Office of the United States Trade Representative are described at greater length below in the section on representation. Similarly, the role of the United States International Trade Commission, which is not much larger than the Office of the United States Trade Representative, is reviewed under the section on analysis. The third and largest component of the core trade agencies is the International Trade Administration of the United States Department of Commerce.²⁴ It is debatable whether the entirety of the International Trade Administration should be counted within the core trade agencies, insofar as it performs several functions that can be classified under other headings. Its largest section, for example,

is import administration, which conducts anti-dumping and countervailing duty investigations. Other offices of the agency include sections involved in the enforcement of trade commitments and in the promotion of trade and investment. Because these functions are all housed under one administrative roof, however, and all of them are exclusively devoted to trade, it seems fitting to define the International Trade Administration as a part of the core trade policy agencies.

The data in table 2.2 make clear that the administration and enforcement of trade-related laws is a much more labour-intensive undertaking than trade policymaking per se. While the key trade negotiating agency of the United States employs scarcely more than 200 people, and the principal analytical agency has less than 400, there are tens of thousands of people working on tasks related to the inspection of imports and the administration of trade laws. That is especially evident for two agencies of the Department of Homeland Security: the Bureau of Customs and Border Protection and the Bureau of Immigration and Customs Enforcement. Together, they account for some 47,000 employees. To put the magnitude of these personnel in perspective, they would form roughly three divisions of infantry in the United States Army. That analogy is apt, considering the fact that Department of Homeland Security – an agency that was created in 2002 – places a much higher emphasis

²⁴ The fact that this agency is entitled the Department of Commerce should not be misinterpreted to mean that it is the trade ministry of the United States. In US governmental usage, the term “commerce” is most often used to connote domestic economic exchanges, whereas “trade” usually means international economic exchanges. Even that rule is not absolute, however, insofar as the Federal Trade Commission is an agency that together with the Department of Justice is responsible for United States competition policy. These special usages are among many areas where the American terminology differs from international practice, such that, for example, most-favoured nation treatment is called “normal trade relations” in the United States, and the word “treaty” is used to mean only that subset of treaties that is subject to approval by two thirds of the United States Senate and the term “reciprocity” usually refers to a policy by which countries are threatened with retaliation if they are found to violate a legally defined principle of trade law.

on terrorism than on tariffs. Many thousands of additional inspectors are employed by the agencies that enforce American sanitary and phytosanitary laws, the regulations affecting alcohol and tobacco, and so forth. Not all of the people employed by these agencies deal solely with imports of goods; many of them are involved in other areas such as immigration, criminal investigations and domestic regulation. Even based on the assumption that only 1 in 10 of the people employed in the administrative and enforcement agencies deal with trade, however, that would still be three times larger than the core trade policy agencies.

Because the core trade policy agencies are relatively small, they need to rely on other government agencies for information. That takes the form of objective data, or specialized knowledge, and more subjective information about desired outcomes, or special interests. These two types of information are discussed in the next two sections.

Analysis: the United States International Trade Commission and other institutions

Data and analysis are the foundation of any reasoned decision in trade policy. In the United States the trade-related analytical functions of the Federal Government²⁵ can be roughly divided into two sets of institutions. One is the United States International Trade Commission, which is devoted exclusively to matters related to trade. The Commission may be considered to form a part of the trade ministry, even though it is separated from the Office of the United States Trade Representative and the International Trade Administration. The others consist of a series of analytical institutions that often deal with trade-related matters, but are also responsible for other issues in their respective areas of specialization.

A key feature of the United States International Trade Commission is its separation from the policymaking arms of government. It is an independent commission that advises the executive and legislative branches of government on trade policy issues. Six commissioners nominated by the president and confirmed by the Senate sit at the head of this agency; they serve for nine-year

²⁵ For purposes of simplicity, only those analytical offices that are in the US Federal Government are discussed in this paper. A great deal of the analytical work in US trade policy is, however, conducted outside of government. Other players in this process include independent think tanks, most of which are located in Washington, DC; academic institutions; consulting firms and the analytical offices of groups representing specific industries or other interests. Many of these analytical entities advocate the interests of their constituencies or donors, but that does not mean that their output is ignored by policymakers.

terms. They are assisted by a staff of hundreds that includes experts in specific industries, laws and investigative or analytical procedures. Because the Commission is not a policymaking body, and plays no direct role in the negotiation of trade agreements, the information and analyses that it develops can be trusted by officeholders in the two policymaking branches of government.²⁶ This independent, non-partisan, quasi-judicial Federal agency was first established by Congress in 1916 as the United States Tariff Commission, and has been known by its current name since 1974.

In addition to conducting studies on trade and tariff issues, and monitoring import levels and participating in the development of uniform statistical data on trade, the United States International Trade Commission performs other trade-policymaking tasks.²⁷ Through its research programme, the Commission conducts objective studies on many issues. These are generally requested by the Office of the United States Trade Representative or a congressional committee, often as part of the process of developing American negotiating objectives or assessing the economic consequences of specific agreements. The Commission frequently holds hearings as part of its investigations and studies. Its resources also include an extensive national library of international trade and a separate law library.

The Commission's most important role in trade negotiations is providing confidential advice to the Office of the United States Trade Representative. Prior to every trade negotiation, the agency prepares a detailed report specifying product by product which goods represent the greatest opportunities for American exporters and the ones that are most sensitive on the import side. These classifications are based on the conclusions that Commission investigators draw from a combination of statistical data, public hearings, contacts with industry experts and other sources. While those reports are made available only to US trade negotiators, other Commission research can be released in

²⁶ This general rule is partially violated by the role of the United States International Trade Commission in the trade-remedy laws, that is, the anti-dumping, countervailing duty and safeguards laws. Because the Commission is responsible for conducting the injury tests in these laws, it can sometimes come under political pressure. That can also influence who is nominated to serve on the Commission. On the whole, however, the products of the Commission's analytical functions are viewed as objective analyses.

²⁷ Other responsibilities include acting as custodian of the Harmonized Tariff Schedule of the United States, conducting injury tests under the anti-dumping, countervailing duty and safeguard laws – in other words, determining whether American industries are harmed by imports that are subject to investigation – and directing actions, subject to presidential disapproval, against unfair trade practices such as patent, trademark or copyright infringement.

whole or in part to the public.²⁸ The Commission's investigations cover a wide range of trade policy issues. During 2005, for example, it released reports dealing with matters such as the overall trends in United States trade, the administration of US preferential trade programmes and developments in specific topics related to goods or services.

Another resource of the United States International Trade Commission that deserves special attention is DataWeb. This resource, which is free to all users on the Internet (<http://dataweb.usitc.gov/>), is arguably the most sophisticated yet user-friendly trade data system in the world. The figures available on this system are recent; updates are generally posted six weeks after the end of each month. The interface is intuitive, the import data are associated with the applicable tariffs and preferences and users can control precisely how the data are aggregated and presented: type of classification system, level of aggregation, countries or groups, special tariff programme and reporting period. There are only a few shortcomings in the system. First, there is no comparable set of data available for trade in services. Second, it would be useful if the export data could be associated with the tariffs or preferences of the countries to which they are shipped, just as the import data are associated with the tariffs that they pay or the preferential treatment that they receive. Finally, the demand on the system server can overwhelm its capacity, leading at times to slowdowns or crashes. That is, however, a purely technical problem. On balance, and more than any other feature of the US trade policymaking system, DataWeb should be emulated by other countries for their own trade data.

The other agencies listed in table 2.2 as research, statistical and advisory bodies do not focus as much on trade policy as the United States International Trade Commission. For example, the Government Accountability Office is an agency of the United States Congress that evaluates Federal programmes, audits Federal expenditures and issues legal opinions. While trade issues fall within its jurisdiction, these matters account for a very small share of its activities. During calendar year 2005, for example, the Government Accountability Office issued 963 reports, of which only 17 focused specifically on trade policy; another 10 or so dealt with trade-related issues. Similarly, each of the other half-dozen analytical offices shown in table 2.2 devotes some of attention to trade-related issues. Roughly one third to one half of the output of the

Department of Commerce Bureau of Economic Analysis seems to involve international issues such as trade and investment, but less than one fourth of the workload at the Department of Agriculture Economic Research Service is international.²⁹ The very smallest of these institutions, the Council of Economic Advisors, may be the most influential. It acts as a sort of in-house think tank for the White House, offering advice to the president and his cabinet on all manner of economic policy decisions. The members of this council, headed by academic economists on leave for government service, are usually committed free-traders.

One set of government agencies that is not shown in table 2.2 is the intelligence community of the United States, including the Central Intelligence Agency. Figures relating to the staff and budgets of intelligence agencies are a closely guarded secret, as is most of their output. Nevertheless, the primary function of the Central Intelligence Agency is to collect and analyse information, including economic data. Some of the information that the Central Intelligence Agency compiles will be reported in its almanac-like World Factbook, which is made publicly available³⁰ but most of its analyses have a very restricted circulation. The intelligence community also provides more direct assistance to US trade negotiators in the form of information on the governments, institutions and individuals with whom they bargain.

Communication: the procedures and institutions of consultation

A feature of the United States trade policymaking system that is particularly worthy of emulation by other countries is the system through which trade negotiators consult with other stakeholders as they develop and pursue negotiating objectives. These institutions and procedures have evolved over decades of practice, but the essential points have been in place ever since the United States began an active programme of trade negotiations in the mid-1930s. Those familiar with the United States policymaking system today would immediately recognize, for example, the description that a key United States policymaker gave of the process in a

²⁸ When the Office of the United States Trade Representative requests a report from the Commission, it generally specifies whether the results should be made entirely public, issued solely to the United States Trade Representative, or released in both a confidential and an abbreviated public form.

²⁹ These rough approximations are based on a review of the papers, data sets and other materials posted by the respective agencies to their websites.

³⁰ See <https://www.cia.gov/cia/publications/factbook/index.html>.

1939 book.³¹ With a few changes in the names of the consultative bodies and the addition of new issues, the process has remained remarkably similar for seven decades.

The consultative mechanisms help to ensure that while trade politics may produce conflicts from time to time, they produce few surprises. It is a rare initiative that encounters unexpectedly sharp opposition when it comes time to seek congressional approval, as there are many opportunities for the potential opponents of a proposed law or agreement to express their concerns, and to be accommodated, at earlier stages in the process. In fact, the few notable instances in which Congress has rejected a trade agreement have come about precisely because presidents failed to consult. That was the case, for example, with the Havana Charter of the International Trade Organization proposed in 1947 and non-tariff agreements negotiated in the Kennedy Round of GATT that was concluded in 1967. Both the Truman and Johnson administrations suffered defeats,³² thus repeating the Wilson administration's experience with the ill-fated League of Nations Charter. There have been periods in recent decades when the executive and legislative branches have clashed over trade policy, but in one respect the system has been highly successful: Congress has approved every trade agreement submitted to it after 1967. The main difficulty in US trade policymaking comes not in getting Congress to approve agreements, but instead in convincing Congress to make special grants of authority to the president to allow for the expeditious consideration of such agreements in the first place.

From the perspective of domestic industries, the various consultative procedures all offer a means for civil society to express its views, make demands and provide information. Firms, industry associations, labour unions and other private interests can communicate directly with the Office of the United States Trade Representative through representation on advisory bodies and in comment procedures, via Congress through testimony in hearings and cooperation with members of Congress, via the United States International Trade Commission by providing data in its investigations

and via other government agencies by bringing concerns to those agencies that deal with the sector in question. It would be an exaggeration, however, to see these procedures solely as redundant lines of communication from the private sector to the government. Government agencies and members of Congress have ample opportunity not only to act as advocates for their private-sector constituents, that is, a principal-agent relationship, but also to filter and interpret information and to present their own policy recommendations.

The cardinal rule in the US policymaking process, both for trade and for other issues, is inter-agency coordination. There are almost no significant issues in any field of public policy that do not involve two or more government agencies, each with their separate perspectives, constituencies and resources. At a minimum, agencies need to ensure that they do not work at cross-purposes; ideally, they should share data and technical expertise, coordinate action in a common strategy and work out a rational division of governmental labour. The principle of inter-agency coordination is especially vital in the case of trade policy, which involves almost all government agencies other than those dealing with the most purely domestic matters. It is therefore necessary to have mechanisms for the sharing of information and the representation of constituent interests.

There are several distinct layers in the inter-agency coordinating network. The president's cabinet is the highest of all such councils, but rarely deals directly with trade policy issues; when these matters require cabinet-level attention, committees composed of less than the full cabinet generally handle them. Starting with the Clinton administration, trade policy has fallen within the province of the National Economic Council. As a cabinet-level committee that is chaired by the president himself, the Council will usually consider only those issues that are of such importance as to require a decision at the very highest level of government. Beneath it are two sub-cabinet bodies. The Trade Policy Review Group is composed of representatives at the Assistant-Secretary level, and is chaired by a deputy United States Trade Representative. The Trade Policy Review Group is in turn advised by the working-level Trade Policy Staff Committee, which is chaired by a deputy-assistant United States Trade Representative. The Trade Policy Staff Committee and its various subcommittees are chaired by officials of the United States Trade Representative and represent the interests of various government agencies. The agencies represented on the Trade Policy Review Group and the Trade Policy Staff Committee include virtually all parts of the executive branch of the Federal Government. In

³¹ Assistant Secretary of State Francis B. Sayre chaired the Executive Committee on Commercial Policy, a precursor to the Trade Policy Review Group. In a section entitled "How Trade Agreements Are Made", pages 84-97, he described in detail the procedures for consultations with civil society, government agencies and Congress. See Sayre, *The Way Forward: The American Trade Agreements Program*.

³² The Havana Charter was never adopted by Congress; instead, the supposedly temporary GATT was established. Congress approved some agreements from the Kennedy Round, but rejected the anti-dumping and customs valuation agreements.

addition to the Department of Commerce and the Department of Agriculture, this includes agencies in the foreign policy and security field – the Department of State, the Department of Defense and the National Security Council – and other agencies that have only occasional interests in trade, such as the Department of Health and Human Services and the Office of Management and Budget. The United States International Trade Commission is a non-voting member of these bodies.

Another means of fostering inter-department cooperation is through the secondment of personnel. Several officials in the Office of the United States Trade Representative are on loan from the departments of state, agriculture, commerce and the treasury. This approach ensures that the Office of the United States Trade Representative benefits from the specialized expertise of officials from these other departments of government, and can also adjust the mix of staffers to take into account the shifting needs of negotiators. For example, an expert on some country or region might be brought over from the State Department during the period in which a trade agreement is being negotiated with that country. The arrangement is also beneficial for the agencies that lend out their staffers, insofar as it ensures that they have a regular line of communications into the deliberations of the Office of the United States Trade Representative.

The consultative procedures also provide for direct lines of communication between the Office of the United States Trade Representative and civil society. One means of soliciting information is to call for comments before the start of any trade negotiation, or the launching of other initiatives. The Office of the United States Trade Representative will do so by publishing a notice in the *Federal Register*, in which it summarizes the initiative in question, outlines the areas in which it seeks comments and gives a deadline for the submission of information. The Office of the United States Trade Representative also receives advice through a series of advisory committees. As currently structured,³³ the apex of this system is the Advisory Committee for Trade Policy and Negotiations, which represents the views of the committees below it. These are the Trade and Environment Policy Advisory Committee, the Intergovernmental Policy Advisory Committee, the Labor Advisory Committee, the Agricultural Policy Advisory Committee, 6 agricultural technical advisory committees for trade and 16 industry trade advisory committees. The members of these committees receive briefings and give the Office of the United States Trade Representative

³³ For details, see http://www.ustr.gov/Who_We_Are/List_of_USTR_Advisory_Committees.html.

advice on trade pacts before, during and after the negotiations.

Representation: The Office of the United States Trade Representative

The Office of the United States Trade Representative³⁴ is a specialized agency that is located within the Executive Office of the President. It is responsible for developing and coordinating US policy on trade and investment and leading or directing negotiations with other countries on such matters. The Office of the United States Trade Representative, with offices in Washington, DC, and in Geneva, acts as the principal trade advisor, negotiator and spokesperson for the president on trade and related investment matters.

Nonetheless, the Office of the United States Trade Representative is sometimes viewed more as a creature of Congress than of the president. The agency owes its existence to members of Congress who forced the Kennedy administration to establish the Special Trade Representative in 1962. The congressional motive behind the establishment of this agency, which was renamed the Office of the United States Trade Representative in 1979, was to reduce the influence of diplomatic considerations in US trade policy. In the first two decades of the cold war, there were increasing concerns in Congress that the State Department's priorities in trade policy related more to rewarding allies than to promoting the interests of American industries. An independent trade agency, it was believed, would ensure that decisions on trade policy would be based more on economic, rather than political, calculations. In recent years, however, the agency has been partially reincorporated within the US foreign policy establishment, a step that was accelerated with the outbreak of the war on terror and the new emphasis on bilateral and regional free trade agreements.

The Office of the United States Trade Representative's gain has been the State Department's loss. For nearly two centuries, the responsibilities for negotiating trade agreements rested in theory with the diplomatic corps. In practice, however, there were very few such negotiations conducted

³⁴ The term "Office of the United States Trade Representative" can refer to the specific person who holds this position, sits on the cabinet and carries the rank of ambassador, or to the Office of the United States Trade Representative, that is, the agency that works under this chief American trade ambassador.

before the mid-1930s.³⁵ After the launching of the reciprocal trade agreements programme in 1934, trade policy became one of the principal powers of this department. It negotiated dozens of bilateral agreements through the end of the Second World War and these agreements formed the rough draft for what became the GATT. Although the department lost its primary jurisdiction over this field in 1962, it remains a player. In fact, the number of staff of the department's Bureau of Economic and Business Affairs, 210, is almost identical to that of the Office of the United States Trade Representative, which is 212. The State Department still has some direct responsibility in trade policy. Together with the Office of the United States Trade Representative, it is jointly responsible for negotiating bilateral investment treaties. It is also an important source of information, with embassies and consulates located throughout the world.

Conclusions

The US trade policymaking system is clearly a successful one. But is it one that other countries can or should seek to emulate? As noted from the start, those aspects of the United States system that stem from the country's constitutional arrangements are unique; most other countries need not deal with strong subnational units of government, and in no other country is the legislature as powerful as the United States Congress. Some characteristics of the United States system, however, seem more suitable for adaptation to other countries' needs.

In the field of analysis, the way in which the United States International Trade Commission assembles and disseminates trade data is admirable. The DataWeb system is user-friendly and comprehensive. Moreover, it may be easier to emulate than expected. The key is to utilize existing data more effectively. As discussed in part III, all countries collect raw data in the form of paperwork filed with their customs officials, both for imports and for exports. Provided that export and import documents are filed electronically and then converted into electronic format by government agencies, these documents can be the basis of a much more sophisticated system. Through a process of aggregation and association, all of which can be accomplished with a proper reprogramming of computers, it should be possible for all countries to

obtain software similar to DataWeb. That would be a great advance towards analytical sophistication.

Communication is another feature of the United States system that merits attention. While the United States consultative procedures are a very successful aspect of the policymaking process, however, they may not be easy to reproduce in other countries. The problem here is not the expense, which should in fact be minimal; the conduct of domestic consultations may be the least costly of all major operations in trade policymaking. Instead, the problem stems from the fact that the consultative procedures in the United States are established not merely by law and regulation, but by that country's political culture. Government officials and members of American civil society take it for granted that major decisions should go through the system, and the practices of soliciting and providing advice are ingrained habits. The same cannot be said in many other countries, industrialized and developing alike, where traditions differ significantly. Government agencies may view one another with less trust, and relations between government and the private sector may be even less cordial. It is nevertheless important that all countries work to put such systems in place and seek to utilize them as effectively as possible.

Representation is discussed extensively in part III. While few countries can afford to assemble a corps of 200 or more professional trade negotiators, developing countries have managed to expand their representation considerably in recent years.

³⁵ Apart from the negotiation of agreements that provided for mutual most-favoured-nation treatment, and a handful of agreements that were negotiated under special grants of authority from Congress, there were very few trade agreements negotiated by the State Department before enactment of the Reciprocal Trade Agreements Act of 1934.

PART III

TRADE POLICYMAKING IN DEVELOPING COUNTRIES

Introduction

The main problems involved in trade policymaking and the ways that a key WTO member deals with them have been discussed in the preceding sections. The purpose of part III is to consider how these problems affect developing countries, starting with the observation that every country that hopes to participate effectively in the trading system needs to have the capacity to analyse the issues, engage in effective domestic communication and perform its representational role. In a perfect world, it should be possible to review how well countries perform each of these tasks.

What follows is based largely on general principles, coupled with impressions that the author has derived from three decades of experience in dealing with trade policymakers in developing countries; the concluding section contains some recommendations for further investigation. Both in this analysis and in the proposals, the main focus remains on identifying the problems encountered by developing countries – especially the smaller ones – when making policy in this field. The purpose behind the identification of those problems is to help find solutions.

A word is in order on the classification of countries, as recorded in the Annex and utilized throughout part III. The WTO membership is divided into industrialized, developing and the least developed countries. That classification has the virtue of simplicity, but also carries with it two potential vices. One is that this approach does not take into account the category of non-market or transition economies. That is more of a historical than a contemporary problem, considering the changes that have taken place over the past fifteen years, although some of the time series that follow leave out this distinction.

The second problem is that the boundary line between developing and industrialized countries can be difficult to determine. While the least

developed countries are defined by a series of objective criteria, as formally designated by the United Nations and recognized by the World Trade Organization, developing country status is a matter of self-designation in the latter. There is no formal list of countries that exercise this option. For the purposes of this paper, a developing country is one belonging to the Group of 77³⁶ and is not separately identified as a least developed country. The list of industrialized countries is thus a residual category that includes many countries that are commonly thought of as industrialized and others that are still in transition from non-market economies and/or continue to have relatively low levels of per capita income.

Analysis: the need for timely and accurate trade data

Bargaining power consists of more than the absolute size of a country's market, its budget or other measures of an economy's overall magnitude. The capacity to bargain is critically dependent on the ability to obtain, analyse and make effective use of information and to coordinate action with partners that share common interests. While a single developing country can do little in the short term to expand its economic power, there is much that can be done to improve the country's ability to engage effectively in trade negotiations.

Before discussing how to obtain trade data, two caveats need to be stated. First, obtaining the data is only the initial step towards effectively using them. Raw data are no more useful than any other commodity and, like many commodities, data will lose value if they are not used quickly. Therefore, trade ministries need to place at least as much emphasis on training their analysts, negotiators and other professionals in the use of trade data as they do on the acquisition of the figures. "Use" means not only learning the best methods for navigating data

³⁶ Romania is listed here as an industrialized country because it is generally expected that it will soon leave this group.

systems and making sense of the numbers, such as associating them with tariff data as discussed below, but also ensuring that analysts present the results of their work in ways that are most helpful to negotiators, other policymakers and the private sector.

The second caveat is that it is important to expand the scope of data. The immediate focus here is on data concerning the import and export of goods, and on associated data relating to bound, applied and preferential tariffs. As complex as that information can be, it is relatively simple by comparison with non-tariff measures affecting goods, services, investment and intellectual property. Information on these measures can be much more difficult to obtain and their consequences can be more difficult to quantify, both for a country and its trading partners. For the sake of simplicity, these issues will not be discussed for the time being. Suffice it to say, however, that any country that has developed an efficient system of tracking and analysing goods and tariffs should turn its attention to devising similar systems to track services, capital, intellectual property and the non-tariff measures that affect their movement.

There are two ways that developing countries can improve their access to, and use of, trade data. The least costly approach is to make the fullest use possible of the data that are already available from international organizations. That step should be within the fiscal and organizational capacities of all developing countries. Another approach is to develop an integrated trade data system, in which there is a flow of data from customs services to statistical authorities, and from there to the data users. That is a more difficult proposition, but an option that is worth investigating.

Many countries may find that most or all of their needs can be met through the data already available from international organizations. Table 3.1 summarizes major categories of trade data currently offered by agencies associated with the United Nations and includes the World Integrated Trade Solution (WITS), a comprehensive software package developed jointly by the World Bank and the United Nations Conference on Trade and Development (UNCTAD). WITS brings together five databases: the Trade Analysis and Information System (TRAINS), the United Nations Commodity Trade Statistics Database (UN COMTRADE), the Integrated Data Base (IDB), the Consolidated Tariff Schedules Database (CTS) and the Agriculture Market Access Database (AMAD). Before investing scarce funds and personnel in the establishment of their own trade data systems, developing countries

should first examine the potential of these systems. If they find that the data provided for their own countries are comprehensive, timely, and user-friendly, that is sufficient.

Some developing countries may nevertheless find that while the information available from these outside sources is useful, there are some shortcomings. Data are not always complete for all countries, and may have time lags. For countries that have both the need and the means, it may be worthwhile to develop their own abilities to obtain, analyse and disseminate three types of trade data: those figures that are compiled by international or regional institutions, those that are compiled by their main trading partners and data developed from national sources, that is, import and export data of the national customs service.

Revenue considerations can be important when deciding whether and how to structure a national trade data system. The importance of tariff analysis is multiplied whenever customs duties account for a major portion of a country's government revenue. For many developing countries, tariff negotiations are an indirect and often unwelcome form of fiscal policymaking. In many developing countries, budget planners have no way of incorporating the projected results of trade negotiations in their plans or of providing useful guidance to trade negotiators regarding the budgetary consequences of making proposed deals. The fiscal consequences of agreeing to a given tariff cut might have to be considered on a purely intuitive basis and generally after the fact. By programming a trade data system to integrate information on import and export tariffs and on associated revenues, especially import consumption taxes, planners in the trade and finance ministries can have an adequate basis for estimating the fiscal impacts of any tariff concessions that might be under consideration. This can be done not only for individual products or trading partners, but also for formula cuts in the Doha Round.

Integrated data systems can also help countries overcome the weaknesses of the resource-poor. A comprehensive data set and a sophisticated programme should enable a developing country to make a significant transition: the country's negotiators will be able not to only estimate the effects that other countries' proposals might have on its own tariff rates and customs revenues, but can actually make detailed proposals. If it is done properly, the system can be programmed into notebook computers that can be used by negotiators to conduct on-the-spot analyses of tariff cuts that are under consideration.

Table 3.1.
Selected trade data resources available from international organizations

Product	Provider	Available data	Format and cost
TRAINS	UNCTAD	A comprehensive computerized information system at the harmonized-system-based tariff-line level covering tariff, para-tariff and non-tariff measures and import flows by origin for more than 160 countries	Available only through WITS. Free access to governments and international organizations. Currently free access to other users also
http://wits.worldbank.org/witsweb			
TRAINS on Internet	UNCTAD	A comprehensive computerized information system at the harmonised-system six-digit level covering tariff and non-tariff measures and import flows by origin for more than 160 countries	Free public access
http://unctad-trains.org			
AMAD	Developed as a cooperative initiative of Agriculture and AgriFood Canada, Agriculture Directorate General of the European Commission, the Organization for Economic Cooperation and Development, World Bank, UNCTAD and the Economic Research Service of the United States Department of Agriculture	Agricultural market access data, including bound-tariff rate quota volume, in- and over-quota tariff rates, bound and applied most-favoured nation tariff rates, import volume and value. Currently includes data for 50 countries. Updated every year	Free public access
http://www.amad.org/			
TradeMap and MacMap (Market Access Map)	International Trade Centre (UNCTAD and WTO)	An on-line database on trade flows in goods and services and tariff measures that provides indicators of export trends, international supply and demand, alternative markets and competitor performance; particularly useful in international business development	Accessible on a subscription basis. Prices are lower for developing countries
http://www.trademap.org/ , http://www.macmap.org/			
UN COMTRADE	United Nations Statistics Division	Searchable database of national exports and imports allowing users to specify searches according to commodity classification and level, value or volume. Advanced features allow for various types of sorting, graphing and the like. These features generally require a paid subscription. Data availability varies from country to country; some United States data go back to 1962, whereas data for some developing countries are available only for recent years	Three Internet levels: (a) free but limited guest, or subscribe as (b) an individual (\$100–\$2000), or (c) an organization (\$3,750–\$5000)
http://unstats.un.org/unsd/comtrade/			
WTO Statistics Database, IDB and CTS	World Trade Organization	Allows users to retrieve statistical information in either a trade profiles section or in a time series section. IDB contains bound/applied tariff and trade (import) statistics, as reported by WTO members. CTS provides bound and applied tariff schedules of WTO members.	Free of charge IDB is available to all WTO members and least developed countries in the process of accession to WTO. (Some IDB and CTS data are also included in WITS.)
http://stat.wto.org/			

.../...

Table 3.1. (continued)

Product	Provider	Available data	Format and cost
Food and Agriculture Organization Statistics Portal	Food and Agriculture Organization of the United Nations	Provides links to 13 separate statistical databases of the Food and Agriculture Organization of the United Nations dealing with such diverse topics as agricultural production, fisheries and forestry. Some of these databases include imports and exports	Some databases are free, while others require a paid subscription
http://www.fao.org/waicent/portal/statistics_en.asp			
WITS	World Bank and UNCTAD	Software package developed by the World Bank in close cooperation with UNCTAD. Contains data-consultation and data-extraction software with simulation capabilities and gives users access to leading compilations trade and tariffs data: (a) the COMTRADE database maintained by the United Nations Statistics Division; (b) the TRAINS database maintained by UNCTAD; (c) the IDB database maintained by WTO; (d) the CTS database maintained by WTO; (e) the AMAD database	Free of charge; however, databases which are included in WITS have different contractual arrangements, and access rights and fees may vary depending on the user's status. (See corresponding databases above.)
http://wits.worldbank.org/witsweb/			

As discussed in part II, the DataWeb system of the United States International Trade Commission offers an outstanding model that other countries should consider. The raw material for such a system is readily available to all countries in the form of the figures collected by their customs services. Depending on the system that a country employs, the export and import data may be filed electronically and later converted into electronic information. In many countries, however, there is a disconnect between the immediate administrative and enforcement needs of the customs services and the more analytical functions of the trade policymakers. In an ideal system, all the data that a customs service uses should be entered into a system that gives an analyst the flexibility to conduct various operations:

- First, numbers from single shipments need to be combined into aggregated data at the product level. While a customs service must necessarily deal with each shipment on an individual basis, and thus will have detailed and separate records for each of the dozen shipments of automobiles that enter a country in a given month, for example, that level of detail is a hindrance for the trade policy analyst. It is much more useful for the analyst to see a single line that combines all 12 shipments into 1 number.

- Second, and most importantly, the import data should be automatically related to the country's own tariff rates and the export data, with the tariff rates of at least its major partners. In an ideal system, these associations would include all types of tariffs: bound, applied and preferential. The association of trade data with tariff data forms the basis of real analysis. Once those associations are made, it becomes a simple matter to determine the static effects³⁷ that might result from the commitments sought by a country and the commitments it is asked to make in a trade negotiation.
- Third, the system must allow for the aggregation of each of those product lines at higher classification levels. Ideally, the system should allow an analyst to aggregate data both at higher levels within the harmonized system,

³⁷ While static calculations are simple, it becomes a more complex matter to make a dynamic forecast. A static calculation is one in which it is assumed that only the tariff rate changes; all other factors remain equal. For example, if there is a currently a 10 per-cent tariff on some item, and a developing country currently imports \$100 worth of that item, a 50 per-cent cut in the tariff would mean going from \$10 in tariff revenue to \$5. A dynamic calculation would instead seek to forecast how that tariff cut would affect the level of consumption and imports of the item in question. For example, if in that hypothetical case the tariff cut were not only to halve the rate but encourage a doubling in the level of imports, there would be no net change in tariff revenue. This example points to the value that might be derived from creating a sophisticated trade model.

that is, at the four-digit, chapter and section levels, and within other systems such as the standard industrial classification.

- Fourth, the data should allow the analyst to isolate or combine figures for different trading partners. It should allow the analyst to obtain data on specific types of transactions with specific countries, for example, imports of televisions from Japan; with regions, for example, all agricultural exports to Latin America; or with types of countries, for example, all imports from least developed countries.
- Fifth, the analyst should be able to obtain data from various periods. It should be possible to display the aggregated monthly data in quarters, years and year-to-date format, and to do time series of varying periods such as half years, 3 years or 10 years.

For reasons that were discussed in part I, it is not possible to be as precise for trade in services. Countries should nevertheless explore ways to expand their capabilities in this area as well.

Yet another resource that countries should consider establishing is a dedicated library of trade policy materials. Considering the huge amount of publications that pass through a trade ministry, whether in hard copy or electronic format, the management of this flow can be a major undertaking. A trade ministry that establishes a permanent facility to receive, disseminate,³⁸ catalogue and retain these materials will be in a better position to utilize them effectively. If possible, at least one person should be designated to work as a full-time or part-time manager of the ministry's library.

Communication: dealing with other ministries and stakeholders

The expanding scope of trade policy means that this field of public policy can no longer be confined to a small cadre of specialists in a single ministry. An active and effective trade strategy depends critically on coordination between the government and the private sector, and between government ministries. Coordination is essential before negotiations commence, that is, when researching

the facts, deciding whether a specific agreement should be pursued and devising the country's negotiating objectives; while negotiations are under way, or when developing responses to a partner's proposals and adjusting one's own positions; and after negotiations have been concluded, that is, when approving, implementing and taking full advantage of agreements.

Successful trade policymaking depends on a cooperative and collegial approach among all ministries with an interest in trade-related matters. In the absence of such teamwork, the negotiators will not have the information they need to reach agreements with their foreign counterparts, nor will they have the political support necessary to approve and implement these agreements at home. Inter-ministerial coordination is necessary not only in trade policy per se, but also in related fields that aim to promote or regulate trade. The need for such inter-ministerial cooperation is especially evident in the implementation of any national measures that are not designed to tax or regulate trade, but that nonetheless have a significant effect on the movement of tradables between countries. This category includes not only those areas where the connections with trade are obvious, such as agricultural policy and industrial strategy, but also to such diverse areas as the environment, the budget, social programmes and cultural policy. These measures are subject to the commitments that a country makes to its trading partners in WTO agreements and other instruments. The trade ministry's principal responsibilities here are to assist other ministries and policymakers in ensuring that existing and prospective laws and policies comply with the country's obligations, while also endeavouring to establish international rules that accommodate the country's regulatory needs. In the event that conflicts were to arise between domestic laws and international rules, the trade ministry may further be required to defend the country's interests in a dispute-settlement case.

The private sector is at least equally important in this process. Dialogue between government and civil society should be comprehensive, with the public sector being informed by and giving information to firms, industry associations, labour unions and other interested parties. Producers, workers, exporters and actual or potential investors need to know about any anticipated changes in the trading environment that might affect their opportunities or decisions. These include not only those steps that the government plans to take, such as the negotiation of a new agreement, but also information that the government obtains on the plans of other countries, for example, if a certain programme or policy in a partner country is expected to change. Similarly, it

³⁸ A good document-management system will provide for dissemination and retention of new materials. That is easily done when the items in question are electronic and thus may be widely distributed without fear of loss, but must be more carefully designed for hard-copy documents. The usual procedure in the latter case is for the librarian to receive and catalogue the materials, notify the interested parties that a document has been received and lend it out as needed.

is incumbent on the business community to keep the government informed of any developments that should be taken into account in trade negotiations or other initiatives. For example, businesses should be encouraged to inform the government of any existing or anticipated barriers to foreign markets. Private-sector representatives could also be included in delegations to international meetings. This is a common practice in some countries and ensures that policymakers have the benefit of on-the-spot information and advice. Many trade negotiations now include side events to which civil-society representatives are invited, ranging from trade fairs to seminars.

Representation: WTO membership and diplomatic representation in Geneva

This paper focuses on the representation of countries previously in GATT and now in WTO. This is something that can be measured by counting which countries are part of, or in the process of joining, the multilateral system and by examining in greater detail the type and size of missions that they establish in Geneva.³⁹ In an ideal world, we might expand on these observations with considerably more data on the capabilities of trade ministries. That might include information on such matters as the number of negotiators they have, their travel budgets, levels of education or experience. Such an undertaking would be well outside the scope of the present study.⁴⁰

As summarized in figure 3.1, there are at least three factors — beyond the simple question of whether or not they are WTO members — that may have an impact on the effectiveness of developing countries in the Organization. These include the means by which a country joined the system, that is, original GATT member versus accession versus succession; level of income, or least developed countries versus other developing countries; and residency, that is, whether or not a country has a permanent mission in Geneva. In addition to these considerations, a country's participation may also be affected by the type of mission that it has, that is, a dedicated WTO mission or one that deals with United Nations organizations in general, and

the size of its mission. Each of these issues will be considered in turn.

First and foremost, a country that hopes to participate effectively in the system has to be a member of WTO. As shown in figure 3.2, the number of countries in WTO today is several times larger than was the original set of GATT-contracting parties. Moreover, the developing countries greatly outnumber the industrialized countries. Accessions have been both a quantitative and a qualitative development in which the rising number of developing countries in the system has affected the priorities of the GATT/WTO, just as the process of accession has affected the domestic economic policies and the institutions of the developing countries.⁴¹

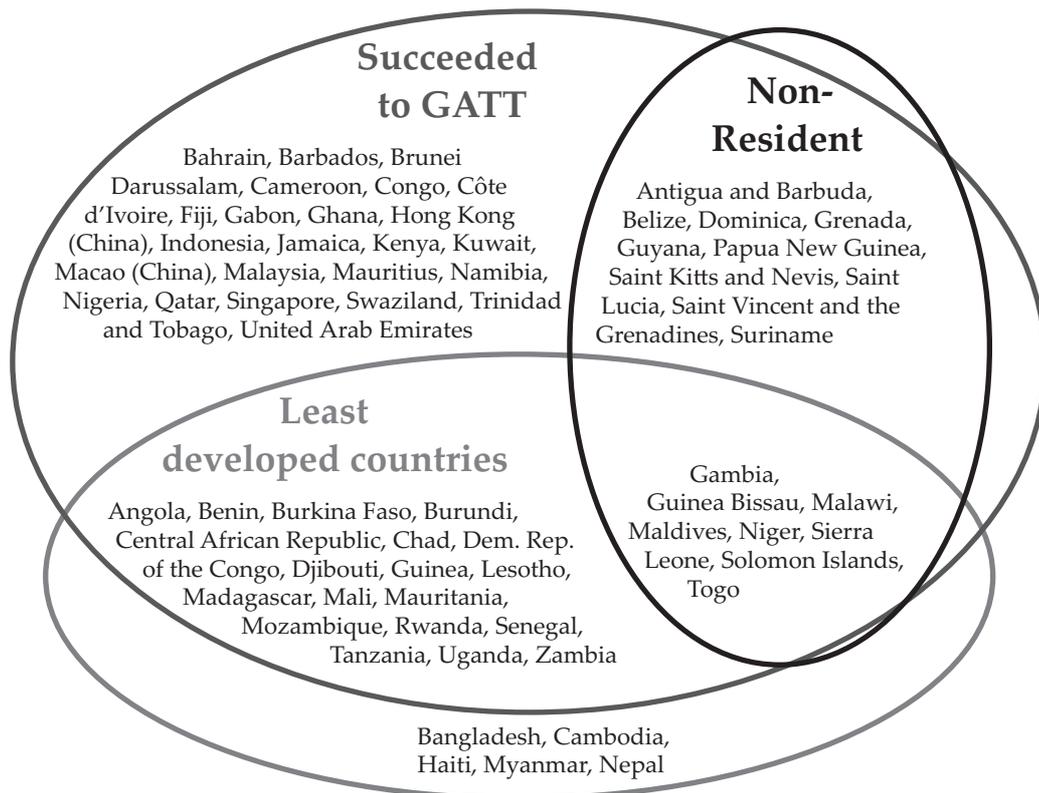
The multilateral system was roughly in balance when GATT was established. As of 1950, the organization included 11 industrialized countries and 12 developing countries. Accessions and successions in the 1950s maintained this broad parity, with 8 industrialized countries and 9 developing countries joining in that decade. Thereafter, the great majority of the additions to GATT consisted of developing countries. Nine countries which joined during that decade are now considered to be industrialized countries, but at the time most of them were developing economies, non-market economies or those on the periphery of European development. Host country Switzerland was a special case; its accession had been delayed by a tradition of diplomatic neutrality. All 30 of the other countries that joined in the 1960s were developing countries at that time, and from that point forward the developing world would, on paper, comprise the bulk of the GATT signatories. The 9 countries that joined in the 1970s were either non-market or developing countries, and another 11 developing countries joined during the 1980s. The 1990s saw the accessions or successions of 30 developing countries; Liechtenstein was the last industrialized country to accede to GATT. Some of the countries that have acceded during the WTO period are counted as industrialized countries, but they all would have been considered to be non-market or transition economies in earlier decades. This growth has been roughly matched by a steady rise in the number of developing countries in WTO.

³⁹ The methods employed here are similar to those in Michalopoulos, *Developing countries' participation in the World Trade Organization*.

⁴⁰ Nonetheless, there are other aspects of countries' representation in WTO that can be measured and assessed. See for example, the data assembled in Nordström, *Participation of developing countries in WTO: new evidence based on the 2003 official records*. In addition to measuring countries' representation in WTO, Nordström demonstrates how the available records can be used to count matters such as countries' submissions and their participation in WTO bodies.

⁴¹ The latter point is fully developed in Basu, Shirotori and Ognivstev, *Understanding WTO accession impacts on domestic economic policies and institutions*.

Figure 3.1. Factors that may inhibit developing countries' participation in WTO



Note: Only developing countries that belong to WTO and meet at least one of the three criteria are shown here.

The process of accessions to WTO is nearly complete. As of year-end 2006, another 30 countries are still negotiating for their accession; once they have finished, all but a handful of countries will be in WTO. All the countries in the process of accession are relatively low-income, but some have declared themselves to be developed, notably Belarus, the Russian Federation and Ukraine.

The priority attached to GATT and WTO affairs may also be partly a consequence of the manner in which a country entered the organization. Many countries that joined GATT entered not through accession but succession. Countries that gained their independence from colonial powers in the post-war period had the option of entering GATT under the special terms of Article XXVI:5(c). This provision, which now has no equivalent in WTO, allowed these ex-colonies to convert their de facto status into full-GATT-contracting-party status by succession, a process that involved much less stringent scrutiny of its trade regime and the negotiation of fewer new commitments than did the ordinary accession process of GATT Article XXXIII, now replaced by WTO Article XII.⁴² Never

having gone through the more onerous process of accession, developing countries that joined through the process of succession had invested relatively little in order to obtain their GATT status.

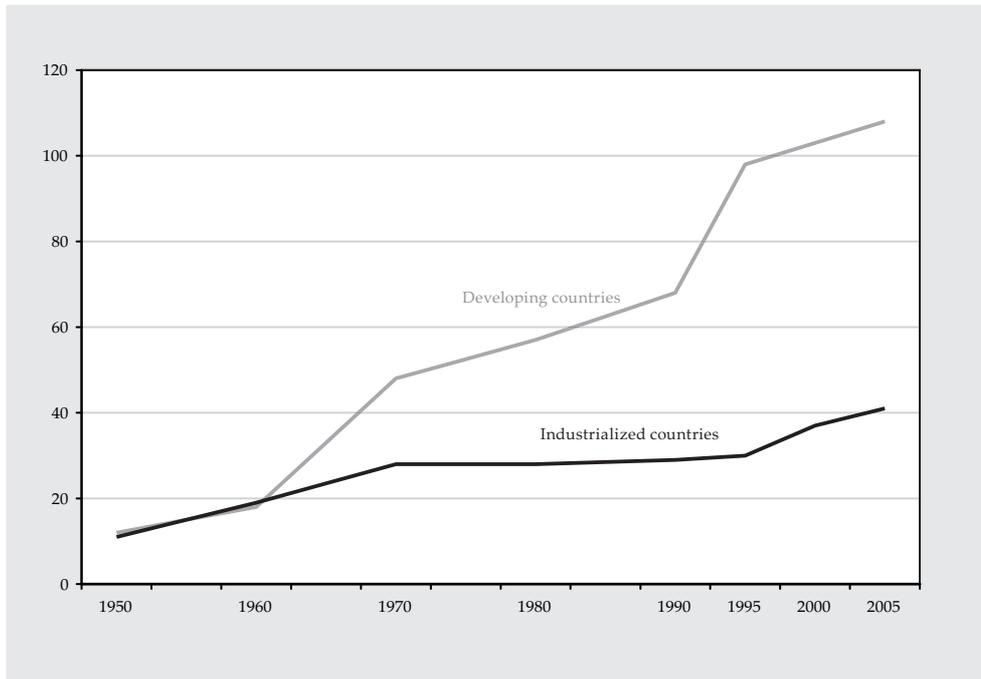
It is difficult to determine whether some countries' low level of participation can be attributed to economic or legal factors, as there is a clear correlation between a member's means of joining GATT and its level of income. Of the 47 industrialized countries in WTO, only 2, or 4.3 per cent, joined the GATT through succession, as did 35 of the 70 developing countries, or 50 per cent, and 23 of the 32 least developed countries, or 71.9 per cent of the membership. Succession is no longer available as a means for joining the system; in WTO, non-members need to go through the more difficult process of accession. Of the 50 least developed countries, 33 are now members and another 10 are in the process of accession.⁴³

After membership itself, the second most significant question is a country's residency status. In other words, does a member have a permanent

⁴² See GATT secretariat, *De facto status and succession: Article xxvi.5(c)*.

⁴³ Afghanistan, Bhutan, Cape Verde, Ethiopia, Lao People's Democratic Republic, Samoa, Sao Tome and Principe, Sudan, Vanuatu and Yemen.

Figure 3.2. Number and type of countries in GATT and WTO, 1950-2005



Note: Countries are counted according to their classifications as of 2006. Some countries that are shown here as industrialized were either developing or non-market countries at the time that they joined GATT.

mission in Geneva, or is it represented sporadically from its home capital or some other mission in a third-country capital? Non-resident status limits a country's ability to monitor and participate fully in negotiations and related activities conducted under the auspices of WTO, not to mention the other Geneva-based institutions.⁴⁴ Once again there appears to be a close relationship between income and residency. As of 2006, the rate of non-residency is 25 per cent for least developed countries, 14.5 per cent for other developing countries and 0 per cent for industrialized countries. That represents progress from 1982, when 40 per cent of the least-developed contracting parties were non-resident, as were 18.2 per cent of the developing countries. The Netherlands was also non-resident at that time, accounting for 3.2 per cent of the industrialized countries in GATT. There may be more at work than simple income, however. Looking back to figure 3.1, it is clear that several non-resident WTO members are countries with small populations, especially in the Caribbean.

⁴⁴ While the focus here is on WTO, several other international organizations are headquartered in Geneva. These include the International Labour Organization, the World Health Organization, the World Intellectual Property Organization and the United Nations Conference on Trade and Development. Countries that do not have any sort of mission in Geneva are thus prevented from having regular representation at a number of institutions.

In addition to being a member, and a resident one at that, countries must make qualitative and quantitative choices regarding their missions. These include what type of mission they will establish in Geneva, and how many people will be assigned to it. The two types of permanent mission that countries may establish in Geneva are a dedicated WTO mission, or general-purpose missions that deal with United Nations agencies in general. It seems reasonable to assume that the establishment of a dedicated WTO mission indicates a strong commitment to dealing with negotiations in that body. Even so, a general mission with a relatively large staff may be able to devote as least as much attention to WTO matters as does a small but dedicated WTO mission. What then is the proper metric for the representation of members in WTO?

The method employed here involves two steps. First, the number of persons in each member's mission can be counted by looking up the entries in the telephone directory of WTO. This is a semi-official document that has been issued on a more or less annual basis⁴⁵ for decades. The data presented below are based on tallies of the 1982, 1987 and 1992 GATT directories and the 1997, 2002 and 2006

⁴⁵ There has been at least one period in which publication of the directory was suspended for a time owing to diplomatic differences over how Taiwan Province of China was listed in the document.

WTO directories. Second, the numbers can then be adjusted so as to draw a distinction between dedicated and general missions. The critical question here is: What should be the discount factor for a general-purpose mission? Based on interviews with representatives of several country missions, WTO officials and other observers, a simple one-third rule is used. That is to say, the numbers that follow are based on the assumption that all of the people in a dedicated WTO mission spend all of their time on WTO matters, whereas only one third of the available resources in a general mission are spent on WTO matters, and the remaining two thirds are devoted to other issues or institutions. Admittedly, that is an arbitrary figure and may in all likelihood undercount WTO activities in some missions while overcounting others. It may be possible to recalculate the numbers based on some other assumed discount factor, but it would be impractical to develop another method for determining the actual levels of work on WTO and non-WTO matters.

The Annex reports the year-end 2006 data on the type and size of members' missions in WTO. The data in figures 3.3 and 3.4 offer a time series of changes, using the same country categories that are shown in the Annex.

The first and most significant observation to be made from the data in figure 3.3 is that the size of the Geneva negotiating community has more than quadrupled since 1982. After adjusting for the differences in general versus dedicated missions, that is, dividing the number of persons in all general missions by one third, there were 100 people in the GATT community of 1982. By 2006, that number had risen to 442. This growth can be attributed to a variety of factors, including the accessions of new countries, especially developing countries and former non-market economies; the declining non-residency rate among developing countries; the growing practice, in particular among industrialized and mid-level countries, of moving from general to dedicated missions; and a tendency on the part of many countries to expand the staffing of their missions. That last trend is undoubtedly a consequence of the widening range of issues that are covered by WTO, which translates into more committee and council meetings, dispute-settlement cases, and – after the launch of the Doha Round in 2001 – negotiating sessions.

The data in figure 3.4 take the same numbers that are shown in figure 3.3, but convert them into shares of the total. The results are surprising. It might be assumed that, because of the rising number of accessions and the declining non-

Figure 3.3. Size of the Geneva negotiating community

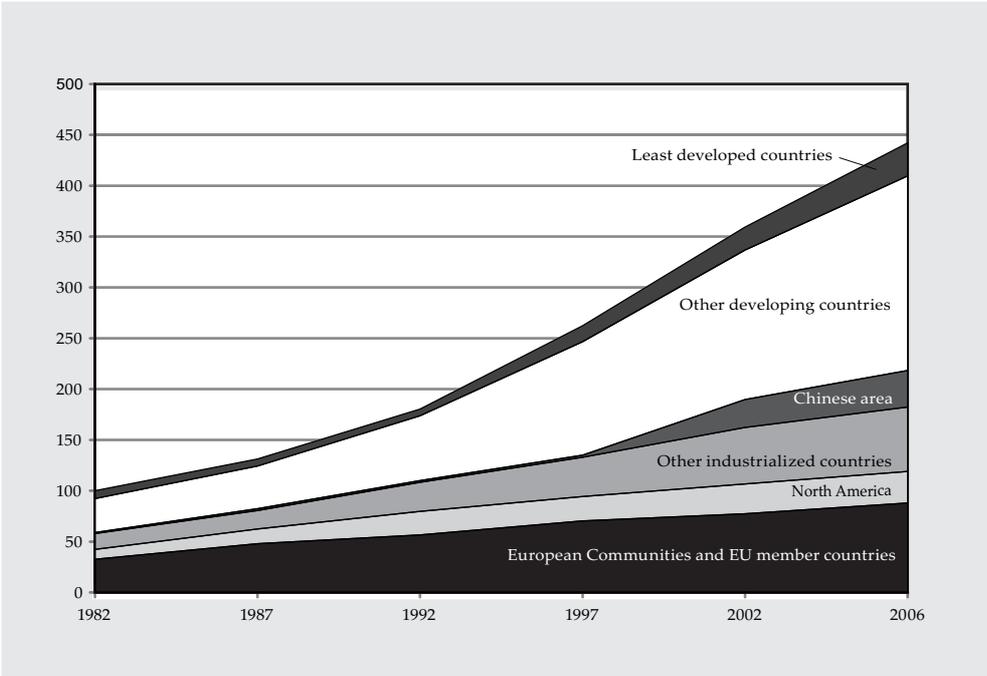
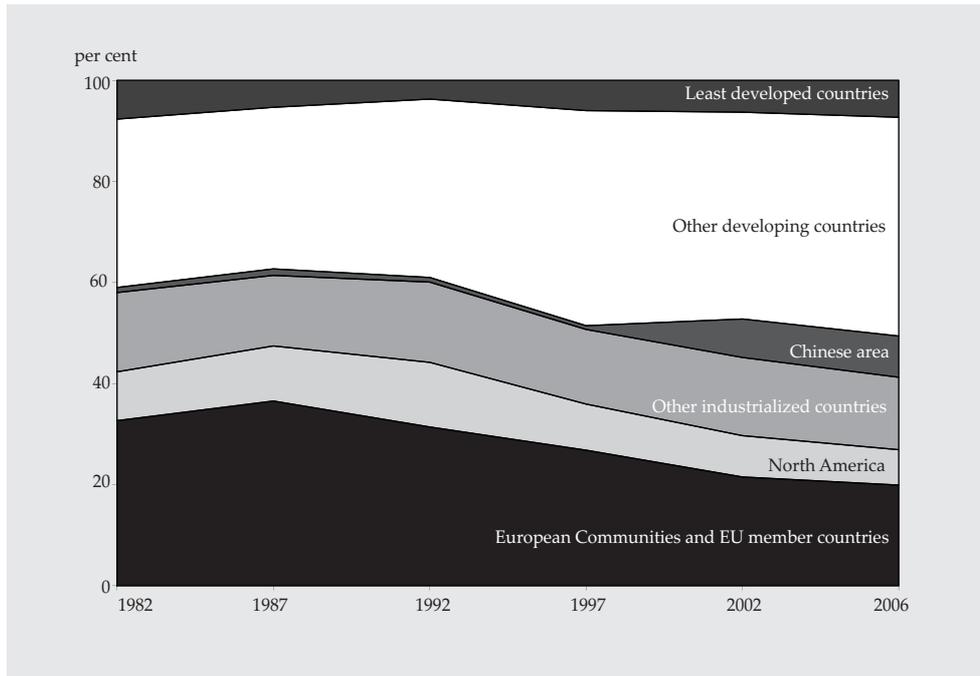


Figure 3.4. Shares of the Geneva negotiating community



residency rate, the developing countries would see their share of the Geneva negotiating community grow substantially. While it is true that this share rose from 42 per cent to 58.7 per cent, it fell short of expectations. Moreover, much of it can be attributed to the accessions of China and Taiwan Province of China in 2001 and 2002, respectively. When added to the missions of Macao (China) and Hong Kong (China), this brought the collective Chinese area up from 1 per cent of the GATT negotiating community in 1982 to 8.1 per cent of WTO in 2006. During that same period, the share of least developed countries has remained remarkably stable – 7.7 per cent in 1982 and 7.3 per cent in 2006. The share held by all other developing countries – non-Chinese, and those that do not qualify as least developed countries – increased by almost 10 percentage points.

What explains the variations in the type and size of missions that countries establish in WTO? Why do some of them have field-dedicated WTO missions with large staffs, while others have relatively small, all-purpose missions to United Nations agencies and some have no missions at all? A first glance, the data in figure 3.5 suggest that for the Quad countries, the rule seems to be simple: send one person – or slightly less – for every percentage point of total world trade in goods. Taken as a whole, the European Community,⁴⁶ the United States, Canada, and Japan accounted for 47.3 per

cent of total world merchandise trade in 2004 and had a combined representation of 44.7 diplomats in WTO;⁴⁷ individually, the size of Quad members' missions closely corresponds to their share of trade. Compared against this standard, all but one⁴⁸ of the remaining countries shown in figure 3.5 are actually over-represented. China has almost twice the delegation that the Quad formula would imply, for example, while the ratios of diplomats-to-trade are higher still for Brazil, with 3.9 diplomats for every percentage point of trade; Taiwan Province of China, with 6.2; India, with 7.9; Thailand, with 9.9 and Turkey, with 11.9. The size of these members' missions is so much larger than their share of trade that this apparently simple rule seems to be fundamentally wrong. Something else is at work in determining the size of missions.

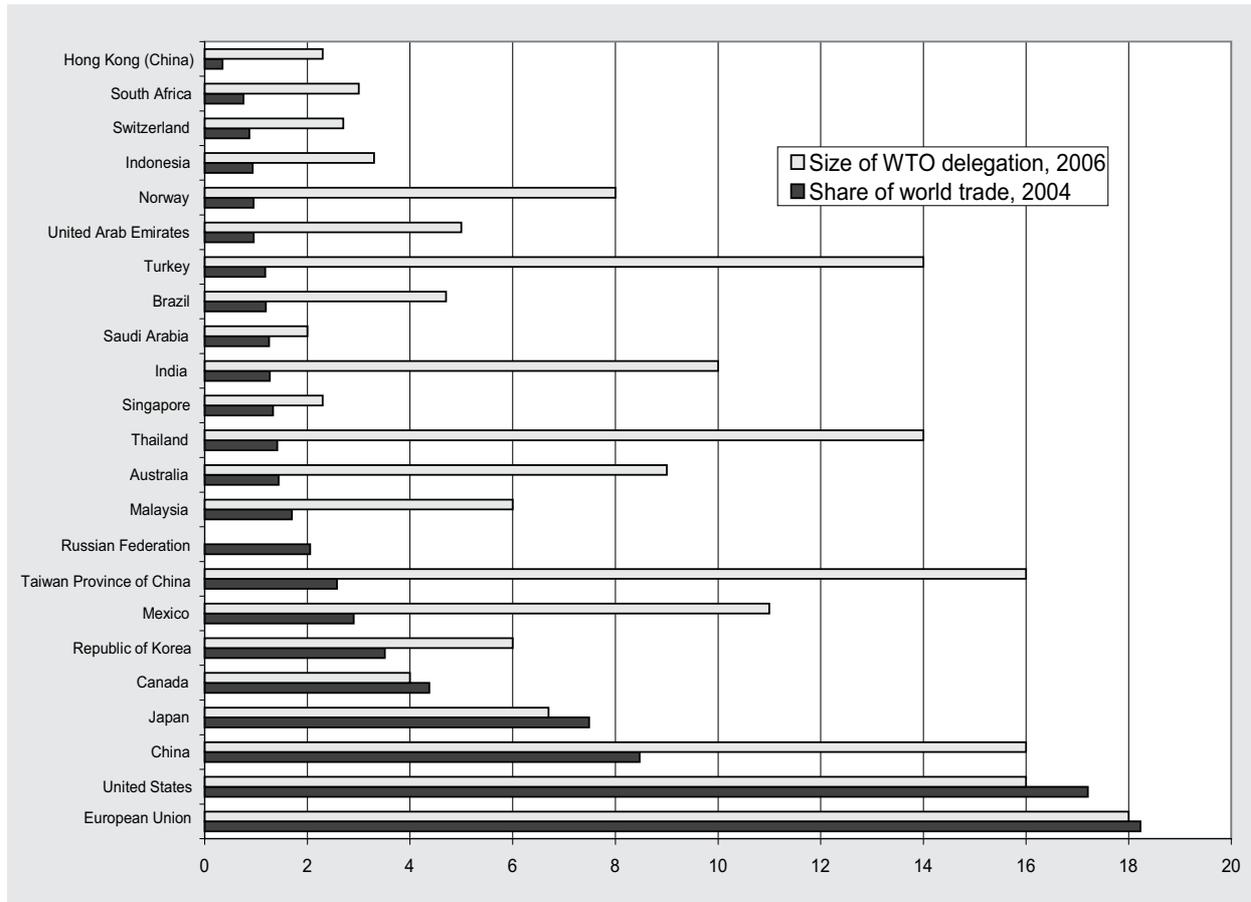
What these numbers seem to imply is not that there is some ideal harmony between the size of a country's trade and the size of its delegation, but instead that there may be an ideal delegation size overall. How large is that number? The data in figure 3.6 strongly suggest that it is about 16 people. That is implied by the fact that each of the 5 largest delegations to WTO has, after a period of growth and fluctuation, between 14 and 18 people; 3 have 16 people each. The European Community

⁴⁶ Data for the missions of EU member countries are reported separately in this paper, except for the group data shown in figures 3.3 and 3.4.

⁴⁷ Both the Canadian and the Japanese delegations were to United Nations agencies as a whole, a fact that explains the less than whole number.

⁴⁸ The one exception is the Russian Federation, which has no delegation because it has not yet acceded.

Figure 3.5. Relationship between share of trade and size of WTO delegation



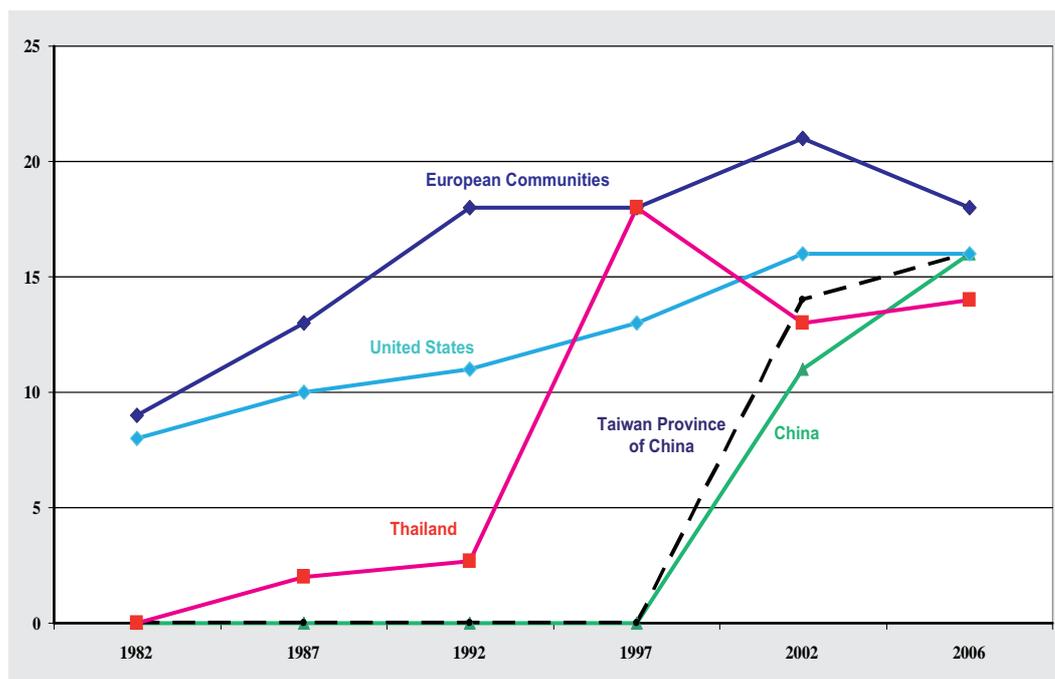
and the United States could presumably afford to field even larger delegations than they have, if they considered it to be worth their while, but each seems to have found that there is a diminishing marginal utility for each addition to their mission. The European Community slightly reduced the size of its delegation between 2002 and 2006, despite the fact that its own membership, and hence its share of world trade, increased by 10 countries during this time. The three developing economies with the largest WTO delegations built their presence in the organization from nothing in 1982: Thailand acceded to WTO in 1982 and China and Taiwan Province of China joined in 2001 and 2002, respectively. In each case, the size of their delegations grew rapidly from zero, and in Thailand's case even tied with the European Community for largest mission in 1997, but all 3 have between 14 and 16 diplomats each.

If 16 is the ideal size for a mission, what explains the fact that not all countries have missions of this size? The most obvious answer is cost. While

experts disagree over the specifics,⁴⁹ everyone concurs in the general proposition that maintaining missions in Geneva is an expensive undertaking. It does not necessarily follow, however, that the countries with the least representation are the very poorest. That distinction may instead fall to the countries that have very small populations and/or are just above least-developing-country status, at least as measured by per capita income. The least developed countries themselves are eligible for the Swiss Government subsidy extended to such countries for the establishment of WTO missions. While that amount might not cover the full expense of a mission, it can lessen the burden.

⁴⁹ Geneva-based diplomats and observers offer varying estimates of the start-up and annual expenses that a country can expect to incur in operating an effective mission in Geneva. These include rent, office equipment, telephone and Internet access, salaries for local hires, and so forth. Some suggest that variable costs – above the salaries of the country's own personnel that are assigned to the mission – might be as low as \$150,000 per year, while others indicate that perhaps \$500,000 to \$1 million may be more realistic.

Figure 3.6. Sizes of the five largest dedicated WTO missions



Summary and proposals

This paper has examined how the expanding scope of issues in the trading system, coupled with the proliferation of options, has complicated the tasks for trade ministries. The challenges of analysis, communication and representation are especially difficult for developing countries, where trade is more significant but resources are less abundant. These countries have nonetheless managed to become more significant players in the multilateral system over the past generation, with more developing countries first joining GATT and then WTO, and more of these members establishing permanent missions in Geneva. The data reviewed here tell only part of the story, however, relying heavily on such gross measures as overall membership in WTO and the size of missions in Geneva. Much more detailed information is needed on the human and other resources that are available to trade ministries in developing countries and the procedures that they follow in the development and pursuit of negotiating objectives.

As further steps towards assisting developing countries, it is recommended that a twofold approach be taken in follow-up research. First, it is necessary to address the need for a diplomatic presence in Geneva and closely examine the demands that are made on developing country missions and their abilities to manage the workload. This line of research could benefit from previous

contributions,⁵⁰ and could include a review of the resources that are available to developing countries. For example, do they have residency status and do they take full advantage of the facilities provided by institutions such as the International Trade Centre, the Agency for International Trade Information and Cooperation, the Advisory Centre on WTO Law and the International Centre for Trade and Sustainable Development? How useful is the Swiss Government subsidy programme for least developed countries, and would it be advisable or feasible to extend similar facilities to other low-income developing countries? It may also be fruitful to consider procedural or other reforms that might enable developing countries to handle the demands of WTO membership more effectively.

Second, it is necessary to focus on national capitals. It would be useful to conduct detailed audits of the trade policymaking process in individual countries, with a view towards helping them identify the bottlenecks and find ways to eliminate them. Those audits could use as their point of departure the reports made in WTO trade policy reviews, concentrating less on country legislation and more on the trade-negotiating process. It is recommended that the questions in such audits should be based on the three core responsibilities of trade policymaking, as discussed in this paper. The following is a preliminary list of questions that may be posed:

⁵⁰ See for example Nordström, op.cit.

Analysis

- Do trade ministry staff have adequate training in analytical techniques?
- Are there research bodies in the country, either public or private, that are viewed as objective sources of information and analysis?
- What type of trade data do the country's analysts use? Do they make effective use of the data provided by international organizations in WITS, for example, and by their trading partners?
- If the country does not presently have a well-functioning national trade data system, are the demands for it and the means to establish it sufficiently large to justify the creation of one?
- How user-friendly are the national trade data? Are these figures timely and do they allow users to distinguish according to types, products or partners? Are the data associated with the relevant tariff data?
- Are the national trade data widely disseminated, for example by posting on the Internet?
- If the national data are not yet available in a user-friendly format, what would need to be done in order to achieve that end? Are the figures collected by the national customs service available in an electronic format that could be programmed in the ways suggested in this report?
- Are data available on national trade in services?
- What are the resources available to the trade ministry? What additional steps might be needed to expand the quantity or quality of its personnel, information technology, data sources, physical plant, and so forth?
- Does the trade ministry have a library? Does that library serve effectively as a place where relevant materials can be received, disseminated, catalogued and retained? Does it have an adequate range of reference materials or a full-time or part-time specialist in charge?

Communication

- Do mechanisms exist for regular consultations between the trade ministry and other government agencies? If so, are they being fully utilized?
- Do mechanisms exist for regular consultations between the trade ministry and civil society, such as comment procedures and advisory committees? If so, are they being fully utilized?
- If the country has a federal system of government, is there a mechanism for coordinating action between national and subnational units of government?

- Do government agencies regularly share statistical data and other information with one another?
- Does the country have a formal trade strategy in place that identifies objectives and the means for obtaining them?

Representation

- Are the country's representatives fully trained in the substance of trade policy and in negotiating techniques? What additional training may be needed?
- Is the country a WTO member? If not, what still needs to be done to initiate or complete its accession?
- Does the country have a permanent mission to WTO that is based in Geneva? If not, on what basis is it represented before that body?
- If the country is non-resident, does it make full use of the information and other resources provided by regional institutions, international organizations and non-governmental organizations?
- If the country is non-resident, are arrangements made by which representatives from either the accredited mission or the national capital make regular visits to Geneva?
- If the country is resident, what is the type and size of its WTO mission? Is the number of staff adequate? Would they benefit from additional training?
- How many bilateral, regional and multilateral negotiations is the country engaged in at once? Do trade ministry staff have an adequate travel budget to ensure their participation? Are alternative means more cost-effective and technically feasible, such as participation via videoconference?

The answers to these and similar questions should help identify the needs of individual countries for capacity-building, institutional reforms and other advances. The results may be useful in targeting assistance from the donor community. When several such policymaking audits are conducted, it may be possible to highlight problems that are common to many of these countries and to recommend broader solutions.

Annex Characteristics of WTO members

Member	Year of joining GATT	Means of joining GATT	Year of membership in WTO	Type of delegation in 2006	Size of mission in 2006
European Communities and European Union member countries					
European Communities	—	—	1995	WTO	18
Austria	1951	Accession	1995	WTO	4
Belgium	1948	Original	1995	UN	10
Cyprus	1963	Succession	1995	UN	3
*Czech Republic	1993	Accession	1995	UN	4
Denmark	1950	Accession	1995	WTO	5
Finland	1950	Accession	1995	UN	6
France	1948	Original	1995	WTO	7
Estonia	—	—	1999	UN	4
Germany	1951	Accession	1995	WTO	7 WTO, 2 UN
Greece	1950	Accession	1995	UN	5
Hungary	1973	Accession	1995	WTO	3
Ireland	1967	Accession	1995	UN	4
Italy	1950	Accession	1995	UN	5
Latvia	—	—	1999	UN	2
Lithuania	—	—	2001	UN	2
Luxembourg	1948	Original	1995	UN	4
Malta	1964	Accession	1995	UN	4
Netherlands	1948	Original	1995	UN	7
Poland	1967	Accession	1995	UN	4
Portugal	1962	Accession	1995	UN	4
*Slovakia	1993	Accession	1995	UN	3
Slovenia	1994	Accession	1995	UN	3
Spain	1963	Accession	1995	WTO	12
Sweden	1950	Accession	1995	WTO	5
United Kingdom	1948	Original	1995	UN	9
North America					
Canada	1948	Original	1995	UN	12
Mexico	1986	Accession	1995	WTO	11
United States	1948	Original	1995	WTO	16
Other industrialized countries					
Albania	—	—	2000	UN	2
Armenia	—	—	2003	UN	1
Australia	1948	Original	1995	WTO	9
Bulgaria	—	—	1996	WTO	2
Croatia	—	—	2000	UN	2
The former Yugoslav Republic of Macedonia	—	—	2003	UN	2
Georgia	—	—	2000	UN	3
Iceland	1968	Accession	1995	UN	3
Israel	1962	Accession	1995	UN	4
Japan	1955	Accession	1995	UN	20
Kyrgyzstan	—	—	1998	UN	4
Liechtenstein	1994	Succession	1995	UN	4
Moldova	—	—	2001	UN	2
New Zealand	1948	Original	1995	WTO	6
Norway	1948	Original	1995	WTO	8
Republic of Korea	1967	Accession	1995	UN	18
Romania	1971	Accession	1995	UN	3
Switzerland	1966	Accession	1995	UN	8
Turkey	1951	Accession	1995	WTO	14
Chinese area					
**China	1948	*Original	2001	WTO	16
Hong Kong (China)	1986	Succession	1995	UN	7
Macao (China)	1991	Succession	1995	UN	5
Taiwan Province of China	—	—	2002	WTO	16

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Characteristics of WTO members *(continued)*

Member	Year of joining GATT	Means of joining GATT	Year of membership in WTO	Type of delegation in 2006	Size of mission in 2006
<i>Other developing countries</i>					
Antigua and Barbuda	1987	Succession	1995	None	0
Argentina	1967	Accession	1995	UN	10
Bahrain	1993	Succession	1995	UN	4
Barbados	1967	Succession	1995	UN	6
Belize	1983	Succession	1995	None	0
Bolivia	1990	Accession	1995	UN	6
Botswana	1987	Accession	1995	UN	8
Brazil	1948	Original	1995	UN	14
Brunei Darussalam	1993	Succession	1995	UN	4
Cameroon	1963	Succession	1995	UN	7
Chile	1949	Accession	1995	WTO	7
Colombia	1981	Accession	1995	WTO	4
Costa Rica	1990	Accession	1995	WTO	4
Côte d'Ivoire	1963	Succession	1995	UN	5
Cuba	1948	Original	1995	UN	5
Dominica	1993	Succession	1995	None	0
Dominican Republic	1950	Accession	1995	UN	11
Ecuador	—	—	1996	WTO	5
Egypt	1970	Accession	1995	UN	13
El Salvador	1991	Accession	1995	WTO	4
Fiji	1993	Succession	1996	UN	6
Gabon	1963	Succession	1995	UN	5
Ghana	1957	Succession	1995	UN	3
Grenada	1994	Succession	1996	None	0
Guatemala	1991	Accession	1995	WTO	7
Guyana	1966	Succession	1995	None	0
Honduras	1994	Accession	1995	WTO	4
India	1948	Original	1995	WTO	10
Indonesia	1950	Succession	1995	UN	10
Jamaica	1963	Succession	1995	UN	4
Jordan	—	—	2000	UN	3
Kenya	1964	Succession	1995	UN	4
Kuwait	1963	Succession	1995	UN	3
Malaysia	1957	Succession	1995	WTO	6
Mauritius	1970	Succession	1995	UN	8
Mongolia	—	—	1997	UN	4
Morocco	1987	Accession	1995	UN	6
Namibia	1992	Succession	1995	WTO	1
Nicaragua	1950	Accession	1995	UN	5
Nigeria	1960	Succession	1995	WTO	8
Oman	—	—	2000	UN	2
Pakistan	1948	Original	1995	WTO	6
Panama	—	—	1997	WTO	2
Papua New Guinea	1994	Succession	1996	None	0
Paraguay	1994	Accession	1995	UN	4
Peru	1951	Accession	1995	UN	10
Philippines	1979	Accession	1995	WTO	11
Qatar	1994	Succession	1996	UN	5
Republic of Congo	1963	Succession	1995	UN	4
Saint Kitts and Nevis	1994	Succession	1996	None	0
Saint Lucia	1993	Succession	1995	None	0
Saint Vincent and the Grenadines	1993	Succession	1995	None	0
Saudi Arabia	—	—	2005	WTO	2
Singapore	1973	Succession	1995	UN	7
South Africa	1948	Original	1995	UN	9
Sri Lanka	1948	Original	1995	UN	2
Suriname	1978	Succession	1995	None	0
Swaziland	1993	Succession	1995	UN	5

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Characteristics of WTO members (concluded)

Member	Year of joining GATT	Means of joining GATT	Year of membership in WTO	Type of delegation in 2006	Size of mission in 2006
Thailand	1982	Accession	1995	WTO	14
Trinidad and Tobago	1962	Succession	1995	UN	4
Tunisia	1990	Accession	1995	UN	3
United Arab Emirates	1994	Succession	1996	WTO	5
Uruguay	1953	Accession	1995	WTO	9
Venezuela (Bolivarian Republic of)	1990	Accession	1995	UN	8
Zimbabwe	1948	Original	1995	UN	8
Least developed countries					
Angola	1994	Succession	1996	UN	4
Bangladesh	1972	Accession	1995	UN	6
Benin	1963	Succession	1996	UN	8
Burkina Faso	1963	Succession	1995	UN	4
Burundi	1965	Succession	1995	UN	2
Cambodia	—	—	2004	UN	6
Central African Republic	1963	Succession	1995	None	0
Chad	1963	Succession	1996	UN	4
Democratic Republic of the Congo	1971	Succession	1997	UN	4
Djibouti	1994	Succession	1995	WTO	1
Gambia	1965	Succession	1996	None	0
Guinea	1994	Succession	1995	UN	3
Guinea-Bissau	1994	Succession	1995	None	0
Haiti	1950	Accession	1996	WTO	4
Lesotho	1988	Succession	1995	UN	4
Madagascar	1963	Accession	1995	UN	3
Malawi	1964	Succession	1995	None	0
Maldives	1983	Accession	1995	None	0
Mali	1993	Accession	1995	UN	4
Mauritania	1963	Accession	1995	UN	4
Mozambique	1992	Succession	1995	UN	2
Myanmar	1948	Accession	1995	UN	3
Nepal	—	—	2004	UN	2
Niger	1963	Succession	1996	UN	6
Rwanda	1966	Succession	1996	UN	3
Senegal	1963	Succession	1995	UN	5
Sierra Leone	1961	Succession	1995	None	0
Solomon Islands	1994	Succession	1996	None	0
Togo	1964	Succession	1995	None	0
Uganda	1962	Succession	1995	UN	4
United Republic of Tanzania	1961	Succession	1995	UN	9
Zambia	1982	Succession	1995	UN	7

WTO = A dedicated mission to WTO

UN = A mission to WTO and other United Nations agencies in Geneva

None = A non-resident WTO member

* : Czechoslovakia was among the original GATT-contracting parties; its two successor States acceded individually after they separated.

** : China withdrew from GATT in 1951.

Note: Eleven developing countries that applied GATT on a de facto basis as of 1995 have not acceded to WTO.

Sources: Data on countries' status under GATT are taken from the WTO secretariat's *Guide to GATT Law and Practice: Analytical Index*. Data on countries' status under WTO are from the WTO website. Data on the type and size of countries' missions in Geneva are from the WTO 2006 telephone directory.

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