Africa and the WTO Doha Round: An Overview

Michael Friis Jensen and Peter Gibbon∗

Developing countries, and especially Least Developed Countries, were promised a WTO ‘Development Round’ at Doha in 2001. In fact, the Round’s agenda became dominated by topics and proposals of little relevance and at times threatening for some groups of developing countries, particularly those in sub-Saharan Africa. As a result, African engagement in the Round has been generally low and defensively articulated, though some fringe gains have been achieved. If and when the Round is revived, these could be complemented by a more aggressive stance on preferences. This, in turn, will need to be backed by greater exploitation of the heightened role of moral argument in international political and economic discourse.

1 Introduction

That open economies work better than closed ones has become generally acknowledged in recent years, including in Africa (Rodrik, 1997; Wang and Winters, 1998; UNECA, 2004). However, this idea has become confused with the notion that the WTO Doha Development Round – as a specific route to greater openness – will provide significant opportunities for advancing African trade interests. The current configuration of issues on the negotiating table in Geneva is not a promising entry point to the development of African economies. This is not because more trade would not generate higher growth in Africa, but because African trade is unlikely to be seriously stimulated by any likely settlement of the issues remaining on the table in July 2006.1

The World Trade Organisation is not the only, or necessarily the best, path through which openness can be made to work for Africa. One fundamental problem is that many of the major impediments to African trade, such as macroeconomic instability, poor infrastructure and low and skewed foreign investment, are outside the scope of the WTO. A second is that some of the probable outcomes of the Doha Round are likely to hurt rather than help Africa’s global economic integration. Preference erosion, for instance, is a real threat to Africa. A lowering of Most Favoured Nation (MFN) rates will increase the competition that Africa faces, especially in the EU market, and might lead to competitive middle-income exporters such as Brazil replacing African ones.

This introductory article provides an overview of the opportunities and challenges for Africa arising from the Doha Round, and argues that the latter outweigh the former.

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1. The final version of this article was written in September 2006 after the official suspension of the Doha Round in July 2006. Apart from the contribution of Jensen, which was completed at the same time, the other articles in this collection date from May to June 2006.
Section 2 discusses the concept of a ‘Development Round’ in an African context. Section 3 rehearses three reasons why African positions tend to be defensively articulated in the Doha Round. This section includes new data on the degree to which African countries are net importers of agricultural products likely to be liberalised in the Round. Section 4 discusses how African countries might still build on the limited gains that they achieved at the time of the Round’s inception.

2 Africa and the concept of a development round

The current WTO Round was re-labelled the ‘Doha Development Round’ shortly after the WTO Ministerial meeting in Doha in November 2001. While the content of what might constitute a Development Round (as opposed to any other kind of round) remains unclear, the main reason for the re-labelling exercise was to mollify a strong belief on the part of developing countries, including African ones, that they were short-changed during the Uruguay Round. Thus, the explicit goal of the Doha Round was to pay special attention to correcting past mistakes and target reform of the multilateral trading system on developmental problems.

In fact, the issues that the Round settled upon have only a limited relevance in an African development context. Agricultural and industrial protection, trade in services and obstruction of trade by red tape at the border are all important in principle for African countries, but they are considerably more important for other groups of countries. Furthermore, the main proposals made in relation to these issues are not likely to create new opportunities on the continent, and in some cases create challenges. Problems of depressed commodity prices and commodity dependence are arguably of at least equal relevance for Africa, but have hardly been discussed during the Round (Gibbon, this volume). This has entailed that, after September 2003 when it was agreed to amend the Agreement on Trade-Related Intellectual Property Rights (TRIPs, see Haakonsson and Richey, this volume), most African countries have seen Special and Differential Treatment (SDT) including Aid for Trade as their sole positive interest in the agenda (Jensen, this volume). The scepticism towards the Round exhibited by many African academics and policy-makers should not therefore be read simply as reflecting a nostalgia for protectionist import-substitution policies, policies which have long since proved inferior in development terms to open trade regimes. Rather, it should be seen as reflecting the reality that the Doha Round agenda and the objectives of the main negotiating parties in relation to it do not address Africa’s trade problems. A probable consequence is that African countries will seek to use the SDT provisions that remain after the Round to postpone implementing whatever liberalisation measures may be agreed.

The analysis contained here provides a contrast to the conclusions of simulation studies by some trade economists, which generally suggest substantial gains for Africa from a successful completion of the Doha Round (for example, Anderson and Martin, 2005; Anderson et al., forthcoming). It should be noted in this regard, however, that divergences from earlier Computable General Equilibrium modelling estimates seem to

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2. It should also be noted that, for a minority of African countries, the main issue of interest has been cotton rather than SDT (see Gibbon, this volume).
be widening. The recent inclusion of effects like preference erosion and the update of the underlying database to take better account of the differences between bound and applied tariff rates have caused estimates by all analysts to fall. Some studies now even show negative outcomes for Africa. Bouët et al. (2005) find quite small gains globally from an agreement that leads to only modest liberalisation, which is the most likely ‘successful’ outcome for the Doha Round. In the context of a gain of 0.09% in aggregate global income, they estimate that Africa will lose 0.05% of income, mainly due to the rising costs of food imports and preference erosion. These findings are supported by Achterbosch et al. (2004).

There are many caveats to modelling studies, and one in particular can be seen as undermining the credibility of these studies. Modelling studies showing gains for Africa from the Doha Round are able to do so mainly because they include gains from African countries’ own liberalisation. This is in line with mainstream economic thinking, where it is believed that the major source of welfare gains is increases in domestic allocative efficiency. Hence, the countries which liberalise the most tend to achieve the largest improvements. In fact, such scenarios are out of line with the likely outcome of a successful Doha Round. The Round is unlikely to trigger major domestic reform in Africa. Least Developed Countries (LDCs) were promised a ‘Round (largely) for free’ from close to the outset, and 25 of the 41 African WTO members are LDCs. In the Non-Agricultural Market Access (NAMA) discussion on industrial trade liberalisation, countries with less than 35% of their tariffs currently bound appeared to have achieved exemption from new tariff-reduction commitments, provided that they bind existing unbound tariffs. Only eight African WTO members have more than 35% of their tariffs currently bound. Even for those countries that will face new tariff-reduction commitments, the impact will be much reduced as a result of ‘binding overhang’. That is, their present applied tariff rates are often far lower than their bound ones.

There is also a political economy logic in play which militates against any likely ‘successful’ conclusion to the Doha Round becoming a serious stimulus for African trade reform. All WTO members come to the negotiating table with mercantilist objectives; but, given that these objectives collide, negotiators agree to trade away their mercantilist interests in a tit-for-tat process that gradually ends up propelling the multilateral trading system towards freer trade. One country agrees to give up protectionism in one product if and when it is compensated by another country in another product. In a rather bizarre fashion, trade negotiators sit down at the negotiating table as mercantilists but rise from it as free traders.

This logic does not apply to Africa. The lack of serious negative externalities in their trade policies allows African governments to get away with exceptions to the general rules. In a local political context these exceptions may be counted as diplomatic successes, but in an economic one they fail to promote welfare-increasing domestic

3. Ackerman (2005) discusses the background for the changing estimates from a perspective critical of global CGE models, while van der Mensbrugghe (2006) discusses the same issue from a perspective more friendly to them.

4. This is admitted in some recent modelling studies such as Anderson and Martin (2005) and Anderson et al. (forthcoming). These address the issue by simulating both comprehensive and partial reforms and generally find that the benefits in the latter case are much reduced. The reforms discussed last in the Doha Round were of the partial reform type.
reforms. The lack of negative externalities also implies that those African countries that agree to liberalise significantly have much less incentive to live up to their commitments than other countries. It is unlikely that other WTO members would take action against an African country not respecting reduction commitments, given the minor impact such non-compliance would have on other countries’ trading opportunities.

3 Why African interests in the Doha Round are articulated defensively

For Africa, at least three sets of challenges arise from the Doha Round agenda. The extent of the threats they pose means that, where African interests have been articulated coherently during the Round, this has been in a defensive mode. The challenges in question concern MFN agricultural liberalisation in the context of the typically net food-importing status of African countries; their subjection to preference erosion; and the doubtful nature of the benefits to them of the ‘New Trade Agenda’. The poorly institutionalised nature of their trade policy process, and the frequent tendency for their negotiating positions to be supplied by NGOs, also play some role in giving Africa’s policy stance its defensive character. But this is only in the broader context of these other factors.

3.1 African countries are mostly net importers of reform crops

Agriculture remains the single most contentious issue in the Doha Round. Agricultural exporters like the Cairns group of countries target agricultural protectionism, especially that of the European Union but also that of the United States and of a number of other mainly smaller industrialised countries belonging to the so-called G10 grouping. Industrialised countries’ agricultural policies lower international prices and lead to dumping of surplus products in, among others, African countries. This may hurt African farmers but benefits African consumers. Whether it hurts a given African economy at the aggregate level is an empirical matter.

In the WTO the liberalisation of OECD countries’ agriculture has caused worries that food prices in countries depending on the availability of imports for food security could be hit by the effects of the removal of subsidies. In the Uruguay Round this worry led to the definition of a new subset of WTO members via the adoption of the so-called Marrakesh Declaration (WTO, 1994). This singled out all LDCs and other so-called ‘Net Food-Importing Developing Countries’ (NFIDCs) for special treatment. The list of NFIDCs is drawn up by the Committee on Agriculture. To appear on the list, a country has to notify its desire to be listed and submit statistical data relevant to the net import status of its basic food supply. Currently, all but 12 African countries can benefit from the Marrakesh Declaration either as LDCs or because they have been granted NFIDC status.

5. See Alavi (this volume).
6. The 12 countries not currently covered by the Marrakesh Decision are Algeria, Cameroon, Republic of Congo, Ghana, Libya, Nigeria, Saint Helena, São Tomé and Principe, Seychelles, South Africa, Swaziland
While the potential problems of net food importers were recognised in principle during the Uruguay Round negotiations, the issue escaped public attention during most of the Doha Round negotiations. The Marrakesh Declaration has not been implemented in practice and whether or not a WTO member is legally entitled to benefit from it has no practical significance at present. Reasons behind the reluctance towards making the Declaration operational may include both the lack of significant agricultural liberalisation in the Uruguay Round and developed countries’ objections to committing to new expensive compensatory mechanisms.

In 2004-5, the issue of net food importers again attracted attention. While a series of model-based studies had emphasised the potential gains to developing countries as a group from OECD agricultural liberalisation (for example, Cline, 2004), well-known free trade advocates like Arvind Panagariya and Jagdish Bhagwati began to point out that many developing countries, especially LDCs, are net food importers and as such risk losing out if world food prices rise. The foundation of this argument is a study by Valdés and McCalla (1999) that found that, of the 46 countries that were LDCs at the time, as many as 45 were net food importers.

To investigate the relevance of this debate to the interests of African countries in the context of OECD agricultural liberalisation, a set of national trade balances are provided in Table 1. The choice of which particular balance to use as an indicator merits discussion. Valdés and McCalla (1999) used FAO data for all food trade (exclusive of fish). The definition of NFIDCs relevant to the Marrakesh Decision uses ‘basic foodstuffs’ (for example, cereals, rice, basic dairy products, pulses, vegetable oils, sugar). Neither of these indicators satisfactorily captures the potential effects of OECD agricultural liberalisation. Valdés and McCalla included a number of products such as cocoa, that are unlikely to be affected by a Doha Round agreement despite being foods, and whose inclusion may therefore exaggerate some African countries’ food exports. On the other hand, the NFIDC classification takes into account only basic foodstuffs, and excludes products like fruits and vegetables, which are important contributors to exports for some African countries. In order to obtain the greatest precision possible, a new category of agricultural products has therefore been defined for use in Table 1. This category is ‘reform crops’, that is, the products likely to be significantly affected by OECD agricultural liberalisation (for a list see the note to Table 1). Table 1 allows a further improvement on earlier discussion by providing data for all African countries.

The table shows that 36 of the 47 sub-Saharan countries (excluding South Africa) are net importers of agricultural products likely to experience price rises following OECD agricultural liberalisation. Only 11 countries are net exporters of reform crops. However, being a net exporter is not a sufficient condition for being a winner from OECD agricultural reform. Many of the 11 countries identified depend on preferences and Zimbabwe. Of these Algeria, Libya, Saint Helena, São Tomé and Príncipe and Seychelles are not WTO members.

7. The Marrakesh Decision has nevertheless been an issue in the negotiations on SDT, see Jensen (this volume).
8. The simple discussion of the importance of a country’s trade balance provided here omits any weighting for the products included. CGE modelling could correct for any bias this may induce if the data used were highly disaggregated at product level.
9. Burkina Faso, Chad, Kenya, Malawi, Mali, Mauritius, Namibia, Sudan, Swaziland, Togo and Zimbabwe.
for their export competitiveness. The 11 countries’ net export status is mainly the result of the export of five products: cotton, meat, horticultural products, tobacco and sugar. Of these, only cotton does not enjoy substantial preferential margins. The issue of preference erosion is therefore also pertinent to a discussion of African countries’ defensive stance during the Doha Round.

Table 1: The net import status of African countries, average 2001-3

<table>
<thead>
<tr>
<th></th>
<th>Africa total</th>
<th>North Africa*</th>
<th>Sub-Saharan Africab</th>
<th>South Africa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total no. of countries</td>
<td>53</td>
<td>5</td>
<td>47</td>
<td>1</td>
</tr>
<tr>
<td>No. of net importers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All agricultural products</td>
<td>33</td>
<td>5</td>
<td>28</td>
<td>0</td>
</tr>
<tr>
<td>Reform crops c</td>
<td>41</td>
<td>5</td>
<td>36</td>
<td>0</td>
</tr>
<tr>
<td>Other crops</td>
<td>29</td>
<td>5</td>
<td>24</td>
<td>0</td>
</tr>
<tr>
<td>Reform crops</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cereals</td>
<td>52</td>
<td>5</td>
<td>46</td>
<td>1</td>
</tr>
<tr>
<td>Oilseeds</td>
<td>47</td>
<td>5</td>
<td>41</td>
<td>1</td>
</tr>
<tr>
<td>Sugar</td>
<td>43</td>
<td>5</td>
<td>38</td>
<td>0</td>
</tr>
<tr>
<td>Dairy</td>
<td>51</td>
<td>5</td>
<td>46</td>
<td>0</td>
</tr>
<tr>
<td>Meat</td>
<td>36</td>
<td>5</td>
<td>30</td>
<td>1</td>
</tr>
<tr>
<td>Fruit and vegetables</td>
<td>35</td>
<td>2</td>
<td>33</td>
<td>0</td>
</tr>
<tr>
<td>Cotton</td>
<td>28</td>
<td>4</td>
<td>23</td>
<td>1</td>
</tr>
<tr>
<td>Tobacco</td>
<td>44</td>
<td>5</td>
<td>39</td>
<td>0</td>
</tr>
<tr>
<td>Cut flowers</td>
<td>35</td>
<td>3</td>
<td>32</td>
<td>0</td>
</tr>
<tr>
<td>Other crops</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cashew nuts</td>
<td>38</td>
<td>5</td>
<td>32</td>
<td>1</td>
</tr>
<tr>
<td>Groundnuts</td>
<td>29</td>
<td>3</td>
<td>26</td>
<td>0</td>
</tr>
<tr>
<td>Coffee</td>
<td>32</td>
<td>5</td>
<td>26</td>
<td>1</td>
</tr>
<tr>
<td>Cocoa</td>
<td>37</td>
<td>5</td>
<td>31</td>
<td>1</td>
</tr>
<tr>
<td>Tea</td>
<td>39</td>
<td>5</td>
<td>33</td>
<td>1</td>
</tr>
<tr>
<td>Vanilla</td>
<td>47</td>
<td>5</td>
<td>41</td>
<td>1</td>
</tr>
<tr>
<td>Cloves</td>
<td>48</td>
<td>5</td>
<td>42</td>
<td>1</td>
</tr>
<tr>
<td>Rubber</td>
<td>42</td>
<td>4</td>
<td>37</td>
<td>1</td>
</tr>
<tr>
<td>Other crops</td>
<td>44</td>
<td>5</td>
<td>39</td>
<td>0</td>
</tr>
</tbody>
</table>

Notes: a) includes Morocco, Algeria, Tunisia, Libya, and Egypt; b) excludes North Africa and South Africa; c) reform crops comprise cereals, oil seeds, sugar, dairy, beef and veal, sheepmeat and goatmeat, pigmeat, poultry, fruit and vegetables, wine, cotton, tobacco, olive oil, dried fodder, fodder, cut flowers, flax and derived products. Source: FAOSTAT.
3.2 Preference erosion

Because its export interests fall mainly in the areas of tropical agricultural products and minerals, and taking into account the well-documented problems of commodity dependence, Africa has a strong interest in securing market access for products that contribute to a diversification of its export base. However, this does not make Africa a supporter of MFN tariff liberalisation. Not only does tariff liberalisation not benefit the bulk of its existing exports, since most tropical products and minerals already face zero or near-zero MFN tariffs; it also erodes preferential access for those (mostly non-traditional) products where Africa currently enjoys a significant margin of preference over the MFN tariff.

Sub-Saharan Africa currently benefits from four main preference schemes: the Generalised System of Preferences (GSP) schemes of the OECD countries; the Cotonou Agreement between the African, Caribbean and Pacific (ACP) countries and the EU; the EU’s ‘Everything But Arms’ (EBA) arrangement for LDCs; and the US’s African Growth and Opportunity Act (AGOA). Over the years, substantial parts of the literature on these and other preference schemes for developing countries have argued that they provide few or no benefits for the great majority of beneficiary countries, as reflected in their apparently low levels of utilisation. This has found a strong echo amongst decision-makers in some of the traditional providers of these schemes. The EU has used the apparently low utilisation level of earlier generations of EU-ACP arrangements (the Lomé Conventions) as a major argument for moving away from granting non-reciprocal preferences in the new generation of agreements that will succeed Cotonou. However, this was partly rebalanced by the subsequent proclamation of EBA.

Estimates of losses from preference erosion following a successful completion of the Doha Round have become progressively less sanguine since the IMF (2003) first drew attention to serious losses relative to total export values for some countries. Recent studies suggest significant income losses from complete preference erosion for trade into the EU market alone. Francois et al. (2005) estimate real income losses from such a reform at $460 million for African LDCs and a further $100 m. for Bangladesh.

More generally, the recent literature has re-assessed the methodological assumptions of many of the studies that found low levels of preference utilisation. Traditional studies typically measured utilisation of single schemes, rather than groupings of schemes. In fact, the main reason why some single schemes had low uptake rates was that products were entering the same end-market(s) via other schemes instead (Bureau and Gallezot, 2004). Secondly, in many cases the preferences whose utilisation was being measured were more apparent than real. This is primarily the result of the fact that they did not offer meaningful margins of preference and that obstacles existed to the schemes being utilised.11

Concerning real margins of preference, Stevens and Kennan (2004) point out that 69% by value of African exports to the EU in 2000 were items on which zero MFN tariff could be levied. Thus, only 31% of African exports to the EU could attract any

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10. Other (smaller) industrialised countries have also established preference schemes along the lines of the EBA arrangements. Such countries include Canada, New Zealand, Norway and Switzerland.

11. Limited product coverage has been identified as a further reason.
kind of preference. Moreover, in the case of a large number of tariff lines eligible for preferences, the margin of preference offered was tiny. Hoekman et al. (2006) argue that the costs of compliance with preference schemes, such as procuring all necessary documentation, typically fall in the range of 3-5% of consignment value. Hence, a margin of around 5% over the MFN tariff must exist before there is an incentive to use such preferences. McQueen and Stevens (1989) showed that, even before the liberalisation accompanying the Uruguay Round, only 7% of ACP exports by value enjoyed a margin of preference of 5% or more in relation to the MFN tariff.

Studies that have attempted to isolate utilisation of ‘meaningful’ preferences, even for single schemes, seem to show significant levels of utilisation. Goodison (2004) acknowledges that ACP exports to the EU increased in value by only 3.6% between 1988 and 1997, as against a 76% increase for non-ACP developing countries. But he also reports that, for those products where the ACP margin of preference was 3% over the GSP, ACP exports grew by 61.9%. Measuring trade under all preferential schemes into Quad country markets for tariff lines where African countries enjoy a 10% margin of preference over the MFN tariff, Stevens and Kennan (2004) find consistently significant rates of utilisation. Since most of the tariff lines in question are for non-traditional products, they also claim to show that preferences indeed contribute to economic diversification.

These results do not take into account the depressing effects on utilisation of regulatory obstacles other than immediate compliance costs. Here, the recent literature focuses strongly on the negative effects of restrictive Rules of Origin, which introduce additional compliance costs. Rules of Origin restrict eligibility for preferences by imposing conditions relating to the extent of local operations that must take place on an exported product before it can be regarded as coming from a given exporting country. For manufactured or processed goods, they typically insist on a transformation from one tariff classification to another, or on the addition of a specified share of value-added, or on the performance of one or more named manufacturing processes (or a combination of these). In mitigation of these conditions, they typically also include conditions permitting the incorporation of a limited amount of non-originating components (de minimis rules) or the re-designation of non-originating components as originating, if these fulfil certain conditions (cumulation). Normally, the principal hidden cost of compliance with Rules of Origin follows from the restrictions they entail on sourcing inputs from low-cost suppliers (Brenton, 2003). Gibbon (2003) also points out that, given that Rules of Origin differ systematically between different trade agreements, optimal conformity with any given set entails dedicated sunk and/or overhead costs. These bring with them potential lack of competitiveness in relation to alternative preference schemes (or MFN trade) where different Rules of Origin are applied.

In addition to arguments that preferences are unimportant because they are underutilised, the more orthodox trade literature tends to argue against preferences along the lines that – even where apparently successful – they encourage the development of sectors that are globally non-competitive. Therefore, when multilateral liberalisation occurs (as seems inevitable in the long term), the sectors in question are

12. The US, EU, Japan and Canada.
13. Clothing, sugar, fresh and prepared fruit and vegetables, and fresh and prepared meat.

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likely to be wiped out. The perspective followed here suggests that preferences are more important for Africa than is often stated, and that this provides a further reason for African countries to see the Doha Round as a threat rather than an opportunity. On the other hand, it neither supports nor rejects the non-competitiveness argument.

However, a brief discussion of recent African experience with one particular preference product (textiles and clothing) under one particular scheme (AGOA) allows the introduction of further evidence on a range of these questions. Examining AGOA allows for a provisional post-hoc demonstration of, firstly, how differences in Rules of Origin can affect full preference utilisation in a single preferential agreement; secondly, the level of response that can follow from a meaningful margin of preference becoming available; and thirdly, whether gains from different levels of utilisation of different kinds of preferences (margins above the MFN tariff; more liberal Rules of Origin) can be sustained beyond multilateral liberalisation, since the textiles and clothing sector experienced a major liberalisation in January 2005.

AGOA came into effect in October 2000 and, while its benefits are time-limited, they have been renewed until 2015. The Act extends duty-free access into the US for 1,800 tariff lines over and above the US GSP’s existing coverage to 37 designated countries in sub-Saharan Africa. The two most important products to which entirely new preferences were granted were clothing and transport equipment. In the case of clothing, duty-free access was combined with quota-free access. At the same time, a liberal Rule of Origin was introduced for ‘Lesser Developed Beneficiary Countries’ (in practice, all sub-Saharan African countries except Mauritius and South Africa). This required only that assembly take place in the exporting country. This Rule of Origin has been renewed until 2007. Mauritius and South Africa, by contrast, have faced a ‘yarn forward’ Rule of Origin.

The average MFN tariff for clothing and textiles into the US is approximately 20%. Quota freedom provided the bulk of the margin of preference that sub-Saharan Africa was granted, however. The cost of buying quota to import, for example, cotton knit T-shirts from China into the US in 2003 was $32.50 per dozen (www.chinaquota.com), more or less equivalent to the cost of the finished product. The real margin of preference enjoyed by African cotton T-shirts over Chinese ones was therefore over 100%. AGOA was unique amongst the US’s many preferential trade arrangements in combining conferment of this margin of preference with a liberal Rule of Origin.

On preference utilisation, Table 2 shows that in 2001 only 16.3% and 15.8%, respectively, of Mauritius’ and South Africa’s textiles and clothing exports to the US utilised their full available AGOA preferences. It was not until 2004 that a clear

14. The US GSP covers approximately 4,600 tariff lines (less than half of all US tariff lines).
15. Namibia and Botswana were also originally excluded from this derogation. Mauritius was granted derogation for one year only in 2005.
16. Costs of exporter conformity with AGOA are probably higher than for other types of arrangement, however. Each exporting factory requires its own clearance by the US authorities.
17. NAFTA confers the same margin of preference but with a tighter Rule of Origin. Some of the US’s bilateral preferential arrangements (for example, that with Chile) offer the AGOA combination of preferences, but only within a tiny Tariff Rate Quota. The Caribbean Basin arrangement also waives quota but provides a lower tariff preference.
majority of their exports utilised fully the preferences in question, although this was achieved in both cases mainly as a result of the physical elimination of non-qualifying exports, rather than through conversion of former non-qualifying exports into qualifying ones. By contrast, in the rest of sub-Saharan Africa, where the more liberal Rule of Origin applied, a majority of exports (52.4%) was utilising AGOA preferences already by 2001, and over 90% utilisation was obtained consistently from 2002 onwards. This is not to say that no preference at all was enjoyed by non-AGOA exports from Mauritius and South Africa. All Mauritian and South African textile and clothing exports enjoyed the quota price part of the preference into the US, whether they were AGOA-conforming or not.

Table 2: SSA textile and clothing exports to the US 1999-2006 (\$ m.)

<table>
<thead>
<tr>
<th></th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>Qu.1 2005</th>
<th>Qu.1 2006</th>
</tr>
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<tbody>
<tr>
<td>AGOA</td>
<td>2.8</td>
<td>2.7</td>
<td>359.5</td>
<td>803.3</td>
<td>1202.1</td>
<td>1620.7</td>
<td>1424.9</td>
<td>362.2</td>
<td>289.0</td>
</tr>
<tr>
<td>of which Mauritius</td>
<td>0.0</td>
<td>0.0</td>
<td>38.9</td>
<td>106.5</td>
<td>135.2</td>
<td>147.8</td>
<td>143.4</td>
<td>33.8</td>
<td>25.8</td>
</tr>
<tr>
<td>S. Africa</td>
<td>1.7</td>
<td>2.2</td>
<td>33.6</td>
<td>88.3</td>
<td>131.2</td>
<td>119.6</td>
<td>67.3</td>
<td>22.4</td>
<td>11.2</td>
</tr>
<tr>
<td>Non-AGOA</td>
<td>619.2</td>
<td>786.5</td>
<td>638.5</td>
<td>333.0</td>
<td>349.9</td>
<td>180.9</td>
<td>79.3</td>
<td>28.9</td>
<td>15.5</td>
</tr>
<tr>
<td>of which Mauritius</td>
<td>232.1</td>
<td>244.9</td>
<td>199.4</td>
<td>148.2</td>
<td>134.0</td>
<td>79.7</td>
<td>23.4</td>
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<td>S. Africa</td>
<td>125.3</td>
<td>173.4</td>
<td>178.9</td>
<td>126.7</td>
<td>138.2</td>
<td>60.9</td>
<td>36.5</td>
<td>8.6</td>
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</tr>
<tr>
<td>Total</td>
<td>622.0</td>
<td>789.2</td>
<td>998.0</td>
<td>1136.3</td>
<td>1552.0</td>
<td>1801.6</td>
<td>1504.2</td>
<td>391.1</td>
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<tr>
<td>of which Mauritius</td>
<td>232.1</td>
<td>244.9</td>
<td>238.3</td>
<td>254.7</td>
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<tr>
<td>S. Africa</td>
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<td>180.5</td>
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</tbody>
</table>

Source: www.agoa.gov and www.otexa.gov

With only a minority of textile and clothing exports for the whole period 2001-4 qualifying for full AGOA preferences,\textsuperscript{18} exports to the US from Mauritius and South Africa increased by about 13% between 1999 and 2004. Their exports to the EU, where they were faced by an almost equally restrictive Rule of Origin\textsuperscript{19} but where the real margin of preference that they enjoyed was slightly lower,\textsuperscript{20} increased by 10.6% over the same period (Comext database).

For both the part of their exports that qualified for full AGOA preferences and the part that did not, the great bulk of the preference margin disappeared in January 2005, with the end of the Multi-Fibre Arrangement. During 2005 Mauritius’ and South

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\textsuperscript{18} 43.3% in the case of Mauritius and 42.5% in the case of South Africa.
\textsuperscript{19} A ‘cloth/fabric forward’ rule. It is not clear what proportion of exports from Mauritius and South Africa to the EU failed this Rule of Origin test and thus incurred MFN tariff rates.
\textsuperscript{20} Both Mauritius and South Africa enjoyed quota-free access to the EU market. Mauritian garments also entered duty-free, whereas South African garments attracted an average tariff of 5.2%, in relation to an EU MFN tariff averaging 12%.
Africa’s combined exports to the US fell by just over a third, returning to the levels of the early 1980s. Likewise, these countries’ exports to the EU fell by 23% (Comext database). Between 1st quarter 2005 and 1st quarter 2006 their exports to the US fell by a further 40.3%. It is tempting to conclude that protection of textile and clothing industries mainly by excluding these from quota costs may indeed serve to shield lack of competitiveness rather than to stimulate export performance on a sustainable basis. But because only a minority of exports from these countries enjoyed full AGOA tariff preferences, it is unclear what benefits or handicaps can be ascribed to the latter.

On the other hand, where AGOA’s full available tariff preference (including the value of freedom from quota) is combined with a liberal Rule of Origin, the results are very encouraging. The group of African countries to which the liberal AGOA Rule of Origin applied increased its exports to the US by almost 400% between 1999 and 2004. This was in the absence of trade diversion from the EU market, to which export levels remained low but constant (Comext database).

The end of the MFA signalled the disappearance of most of the real margin of preference (i.e. the ‘preference’ of not being subject to quotas) also for sub-Saharan African countries other than Mauritius and South Africa, but not the advantage that they derived from the liberal Rule of Origin. In the wake of the end of the MFA, these countries’ exports to the US also fell. But this was by a much lower proportion (11.4%) than in the case of Mauritius and South Africa. Between 1st quarter 2005 and 1st quarter 2006 their exports to the US again fell, but again by a much lower proportion (15.1%) than in the case of Mauritius and South Africa. Thus, there seem reasons to believe that clothing exports to the US from sub-Saharan African countries other than Mauritius and South Africa will survive the end of the MFA, albeit at a level lower than in 2004. In other words, in this case preferences have indeed stimulated export diversification.

### 3.3 The new trade agenda

Prior to the Uruguay Round, multilateral trade negotiations had been mainly focused on traditional barriers to trade such as tariffs and quotas. The general success in bringing down such barriers in manufactures encouraged negotiators to look at new types of trade barriers. New agreements were established, for instance, in the fields of intellectual property rights and standards. Policies regulating economic activities relevant to these fields are not trade policies per se. Rather they are domestic policies that may be used to discriminate between national and foreign operators. This extension of the reach of the multilateral trading system is referred to here as the New Trade Agenda.

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21. The exports of these countries to the EU again remained constant at low levels (ca. $225 m.) in 2005.
22. One should be careful when drawing general lessons from this story. Preferences naturally affect countries differently. In this case, exports to the US from African countries other than Mauritius and South Africa are dominated by a small group of Anglophone East and Southern African countries with easy access to international marine transport.
23. There is some disagreement in the literature on how to label this development. Hoekman and Anderson (2000) use the term ‘New Trade Agenda’ as well, while Finger (2002) discusses the problems related to the extension of the reach of multilateral trade rules under the heading ‘implementation problems’.

African countries have been increasingly hostile towards the New Trade Agenda since it first surfaced. The negotiation of such issues is usually technically complex and so highlights the lack of African analytical and negotiating capital. Worse, promulgation of new disciplines under the New Trade Agenda has so far taken the form of applying rules designed in and for developed countries to developing ones (Finger, 2002). This is particularly evident in relation to both the TRIPs Agreement and the two agreements governing the use of standards, the Sanitary and Phytosanitary Standards (SPS) and the Technical Barriers to Trade Agreements.

From the viewpoint of welfare economics, rule-setting under the New Trade Agenda is fundamentally different from setting rules that reduce traditional trade barriers. Any analysis with a foundation in neo-classical economic thinking would suggest that lowering traditional trade barriers is a good thing for all countries involved. However, in the case of the New Trade Agenda, there is a risk of introducing economically sub-optimal policies. On the one hand, new rules of this kind may increase trade and thereby improve global allocative efficiency. This is a good thing and represents the same type of gain that is expected from traditional trade liberalisation. On the other hand, the type of rules subject to revision as a result of the New Trade Agenda, such as food regulations, are not primarily set for trade purposes but for domestic ones. Food safety laws, for instance, balance the costs and benefits of consumer protection. The outcome of this balance may be different from what would follow from a trade perspective.

In African countries, where food safety problems are different from those in developed countries, it may be economically sub-optimal to impose developed-country standards. This is because these would direct the use of scarce administrative resources towards problems of low relevance, as well as possibly leading to higher food prices if such standards were effectively enforced. Yet the SPS Agreement encourages the use of such international standards, not from the viewpoint of efficient consumer protection, but from a trade perspective. While there is no legal requirement to make international trade standards domestic, the strong focus of the SPS Agreement on international harmonisation has led FAO and WHO to recommend the broad use of international food safety standards, including in the domestic arena (Jensen, 2004). Another well-known example of the risk of international harmonisation is the TRIPs Agreement which forced African countries to implement very strict standards for the protection of intellectual property rights (Haakonsson and Richey, this volume; Finger, 2002).

In 2001 African WTO members sought to correct some of the harm done by the inclusion of TRIPs in the Uruguay Round, and to narrow the scope of the New Trade Agenda in the Doha Round. The fact that three of the four so-called Singapore issues (namely, investment, competition policy, and transparency in government procurement) are no longer part of the negotiating agenda was a major diplomatic success for developing countries, to which African countries contributed.

The last of the Singapore issues, trade facilitation (TF), remains on the agenda. Furthermore, at the time of writing, it had been proposed that a draft TF Agreement should be (perhaps the only) part of an ‘early harvest’ from the Doha Round.24 The full

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24. The fact that this was proposed by the EU Trade Commissioner probably means that it is unlikely to materialise, however.
extent of the commitments that it would entail was rather less clear. From the first sets of wordings tabled, developed countries – supported by a number of developing ones that are either large traders or middle-income land-locked ones – seem to be aiming for rapid global implementation of a group of ‘core disciplines’, coupled with arrangements for developing countries to implement additional disciplines at a slower pace, and where necessary in conjunction with assistance for capacity-building. The dividing line between ‘core’ and ‘non-core’ disciplines has still to be drawn.

What is striking about the proposals made during the formal TF discussions from July 2004 onward is the large number of disciplines (around 20 in all) that negotiators aimed to cover, even though issues concerning customs valuation and marks of origin were explicitly excluded from the discussion. These disciplines fall into three partly overlapping areas: transit trade, customs fees and formalities and publication and administration of trade regulations.

In respect of transit trade, the most important disciplines proposed concerned national treatment for goods in transit and for transit operators (freedom of choice of transit modes, routes and carriers); proportionality and transparency of transit charges; and measures to prevent unnecessary delays, including adoption of bonded transit systems.

On customs fees and formalities, the main disciplines proposed concerned simplification and standardisation of tariff classification systems, documentation requirements and clearance procedures; establishment of ‘single windows’ for simultaneous submission of all documentation; proportionality and transparency of fee and penalty systems; adoption of risk assessment-based inspection; adoption of invoice-based valuation; adoption of pre-arrival processing and post-release auditing; and adoption of expedited clearance systems for approved traders (with or without systems for depositing bonds/securities).

Proposals on publication and administration of trade regulations concerned disciplines on the establishment of central enquiry points; internet publication of trade regulations, fees and charges in a WTO language; adoption of systems to provide and publish binding advance rulings on tariff classification, valuation and origin; adoption of systems for prior consultation with traders on new regulations and for the joint review of existing ones; and obligations to provide reasons for rejecting documentation and for adopting specific tariff classifications, valuations, etc., together with the adoption of procedures for appealing against such rulings.

Mostly these disciplines corresponded to commitments that WTO members make on accession to the organisation (but which in a large number of cases are never fully implemented), since a large majority of them feature in Articles V, VIII and X respectively of the General Agreement on Tariffs and Trade. However up to a third of the proposed disciplines were new, including those on risk assessment-based inspection or verification, invoice-based valuation, pre-arrival processing and post-release auditing, internet publication, advance rulings, consultation systems and appeal procedures.

In most cases, the model for the proposed discipline was ‘best practice’ in developed countries, although in a few cases (for example, the UN Layout Key for documents or the HS code system for tariff classification) it was international standards. Generally, however, these also reflected developed-country ‘best practice’, as illustrated
by the fact that only a handful of African countries have ratified the Revised Kyoto Convention (1999) of the World Customs Union, where most international standards in the area are promulgated. The origin of these disciplines illustrates the extremely uneven way that the agreement’s implementation costs are likely to be distributed. Since they mostly already exhibit ‘best practice’, the costs for developed countries should be negligible. On the other hand, developing countries would face costs whose magnitude is directly related to how antiquated and cumbersome their existing customs systems are (Page and Kleen, 2005).

While only a few of the disciplines proposed25 are politically controversial in the sense that (for example) TRIPs disciplines have been, important questions remain about their relevance, costs and benefits for African countries. Although increased and more diversified trade is an important goal that all African countries should pursue, the current aggregate volumes and composition of trade for a large number of African countries hardly appear to justify the creation of enquiry points, internet publication of regulations, advance binding ruling systems, and single windows for the submission of documents, not to mention more resource-intensive measures such as risk assessment-based verification, pre-arrival processing and post-release auditing. More than a quarter of sub-Saharan African countries had aggregate trade volumes of less than $1 billion in 2004 and fully half had aggregate volumes of less than $2 bn (World Bank, 2005: 298–9, Table 4). In many cases a few HS categories account for a majority of exports, there are relatively few importers and exporters, and traders and customs departments are well-known to each other. Furthermore, since few of these countries are exporters of highly perishable produce or home to just-in-time production systems, there would appear to be little demand for provisions such as special arrangements for expedited clearance. Arguably, the reforms discussed are most relevant for land-locked countries dependent on the efficiency of unknown customs officials in countries of transit. If this is the case, then there are good grounds for prioritising transit-related disciplines for groups of countries along transit routes.

The literature on the economic impacts of TF (or its absence) tends to be dominated by lists of regulatory and practical problems confronting business operators, based on survey data. Only a handful of studies have been carried out concerning TF’s costs and benefits, and even smaller groups of studies on either subject have attempted to quantify their results. Furthermore, the definition of TF used in most studies of benefits (to include, for example, market-based reforms in port management and inland transport, harmonisation of telecoms charges, extension of information technology (IT) infrastructure, etc.) tends to be much broader than that used in the WTO, with the result that benefits tend to be overstated.

Only one study (Wilson et al., 2005) reports results on benefits disaggregated by type of TF reform and groups of countries. This study uses CGE and gravity modelling to compare the impact of TF reforms with tariff liberalisation, and combines these methods with the use of business survey-based data to simulate the impact on trade of developing countries reaching half the level of international ‘best practice’ in different

25. Political objections have been raised by a number of developing countries, principally India, about the implications for security or national sovereignty of some of the disciplines concerning national treatment in transit trade and obligations to consult with private traders.
TF areas. The findings are that TF reform in the WTO sense leads to overall trade gains, but that these are less than from similar efforts in the area of tariff liberalisation and much less than would be brought about by significant changes in the IT environment. Amongst TF reforms, gains from the reform of transit-trade arrangements are greater than gains from the reform of customs environments or of the general trade regulation environment. Gains for sub-Saharan African countries are 1-2% of their total trade ($3-6 bn in aggregate at 2004 trade levels). Presumably those for countries dependent on transit routes will be higher, underlining the point made earlier.

All studies of costs of TF reform to date have been qualitative, although in one case (Duval, 2006) estimates are provided for part of the changes required to implement a single discipline. No study appears to cover costs of reforms in the area of transit trade. The studies on cost conclude that, with the possible exceptions of establishing risk assessment-based audit systems and special systems for expedited clearance, the benefits for developing countries of each proposed discipline will outweigh the costs. However, as OECD (2005) notes, estimates of benefits depend on the assumption that business processes and telecoms infrastructures in all countries keep pace with TF reforms. Furthermore, since they deal with national income, estimates of costs will exclude revenue losses from customs fees (for example, stamp duties) and penalties. Analysis not only of national income effects but also of the reforms’ likely impact on countries’ tax revenues would be useful, since in Africa fees and penalties tend to be higher than elsewhere, and a reduction of charges to ‘proportional’ levels would reduce government revenue by a significant (though so far unquantified) amount. Lastly, ILEAP (2005) asserts that implementation of transit-trade disciplines would also entail significant infrastructural costs for countries on many African transit routes (new customs warehouses, transit sheds, container terminals and possibly common border check-points). These costs too are unquantified.

As noted earlier, a likely WTO agreement in this area would differentiate between ‘core’ and non-core disciplines (though probably not along the lines of transit-related versus other disciplines) and provide a mechanism for linking commitments, implementation periods and technical assistance (TA). At least, this was the clear intent of the Draft Agreement on Trade Facilitation of 2006. It is important to note that these emphases represented a departure from the more purely plurilateral agreement apparently envisaged in Annex D of the July 2004 Package. The latter stated that no commitments would be required from developing countries in the absence of ‘up-front’ TA commitments by developed ones.

Even now it seems likely that most sub-Saharan African countries would be required to implement only a limited range of commitments, and that they would be able to choose between forgoing the rest and implementing them at a later date with TA. Yet with time there is likely to be much greater pressure for the latter option than for the former. This raises a different category of cost issues, namely, opportunity costs. Firstly, there is the opportunity cost of the TA in question. There is no way of securing that the extra resources spent on the TF agenda will be truly incremental. TA will be allocated to the TF agenda in competition with other forms of aid, whether these are other trade-related aid or other forms of aid in general, such as assistance to education and health. Relatedly, there is the opportunity cost of using scarce administrative capacity to
implement these reforms. Except in the case of transit trade, this seems difficult to justify.

4 Exploiting the opportunities that exist

The African Group scored a few diplomatic successes before the Doha Round was adjourned in July 2006 – probably more than were expected only a few years ago, before African countries became genuinely engaged in the WTO. Most notably, three of the four Singapore issues were excluded from the present round, the public health-related aspects of the TRIPs agreement were amended and a formula was agreed under which developed-country domestic support to cotton would be reduced further and faster than for agricultural products generally (subject to an overall agreement on agriculture; see Gibbon this volume). In addition, Africa acted as part of the ACP group to secure a waiver for the Cotonou Agreement in the run-up to the Doha Ministerial Conference. None of these achievements can in themselves secure large gains for Africa (although existing costs would be reduced by the cotton mechanism, and new costs will have been avoided by eliminating the three Singapore issues). Furthermore, except in respect of cotton, these successes were not achieved by acting alone, but by forming coalitions with other countries. In the case of both cotton and TRIPs, they also depended on considerable support from civil society.

If and when the round is resuscitated, the overall picture of Africa’s opportunities in the Doha Round still looks rather bleak. At the same time, Africa’s negotiating resources could still be used to advance new issues. Up to now, the African Group has focused its efforts mainly on agriculture, NAMA, the TRIPs agreement and SDT. An overall impression of African efforts in the Doha Round is one of considerable progress relative to the Uruguay Round (when the African Group did not exist) but also one of poor performance compared with other country groupings. The efforts of African countries are limited by three factors: (i) the nature of the WTO’s existing political mechanisms for gaining influence or, in short, Africa’s bargaining power; (ii) the will of African countries to use whatever bargaining power they have; and (iii) the effectiveness with which this power is used, when such a will is present.

By far the most important political mechanism in the WTO is the principle of reciprocity. Country A receives a concession from country B in exchange for a counter-concession. This mechanism naturally works against the tiny economies of Africa. The economy of an African LDC such as Malawi is no larger than that of a town of 50,000 people in the UK. However, two other political factors are in play in the Doha Round, which can and do provide additional options for Africa. Moral norms and obligations seem to matter more than before in global economic fora, and became exemplified in WTO with the naming of the current round as a ‘Development’ one. Secondly, WTO rules and procedures accord a formal power of veto to even the smallest countries. The rationale for a universal formal veto right is that the WTO can generate useful outcomes only if it secures broad backing, including from developing countries. Naturally, both these options are much less effective than the reciprocity mechanism on which trade negotiations are built. However, both have played a substantial role in generating the diplomatic successes achieved so far. Moral arguments in part articulated by civil society were the main reason why the TRIPs Agreement was amended, against the

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initial opposition of major patent-holding countries such as the US. The three Singapore
issues were dropped after having been originally included in the Doha Round, mainly in
order to keep the Round alive and prevent developing countries from leaving the
negotiating table. Cotton emerged on the table as a distinct issue on the basis of both
moral arguments and threats by the Sahelian countries to withdraw from the Round.

While many observers have focused on the low level of capacity underlying
African trade negotiation efforts, one should not forget the basic economics of resource
deployment for African administrations. WTO negotiations are not accorded a high
priority in many African countries. However, this results mainly not from a poor grasp
of the importance of trade or an inability to speak the language of trade negotiations
(though these are often also present), but simply as a matter of domestic priority-
making. African governments face many pressing needs but lack a strong interest in the
current WTO agenda. This fact is often forgotten when discussing the need for capacity-
building for trade negotiations. While scarcity of financial, human and technical
resources indeed constrains the abilities of African negotiators, the perception that good
opportunities are absent is an even greater hurdle.

Nevertheless, African countries do have some interests worth promoting in the
Doha Round. In addition to securing a strong and binding wording on phasing out
developed-country domestic support to cotton, these are to slow down the pace of
overall OECD reform on agriculture, to improve preferences and to access Aid for
Trade. These interests make the African negotiating position a precarious one, as only
cotton represents the type of classical free-trade concern which the WTO was initiated
to address. In this article we have argued that there is a political economy logic that
leads WTO members to accept African mercantilism at home, yet which militates
against African countries promoting their own market-access interests. Both aspects of
this logic are grounded in the minor economic weight of the continent in the global
economy. Various forms of SDT including Aid for Trade are compatible with the
overall logic, as these are unlikely to create serious negative externalities. In addition,
African countries can draw on the ‘ethical turn’ in political and economic discourse,
including in trade-policy discussion.

SDT in the form of derogations and Aid for Trade cannot turn the Doha Round
into a Development Round, however, given the paucity of opportunities in other fields.
But the African Group could pursue SDT in more effective ways, principally by more
aggressively promoting enhanced preferences. There is some scepticism amongst
observers that preferences can be meaningfully improved, given the overall trend
towards MFN tariff liberalisation. But as the earlier discussion of AGOA illustrates,
non-tariff preferences (or non-tariff preferences combined with tariff preferences) offer
very considerable opportunities for improving and defending market access. Here, more
liberal Rules of Origin are critical. For manufactured goods, this means definition of
origin in terms of performing single rather than multiple stages of production, full
cumulation (allowing any processing activity in any beneficiary country to be added
into qualifying content, regardless of whether it is sufficient in itself to confer
originating status) and less stringent de minimis rules. As Brenton (2003) argues, more
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cumulation (allowing any processing activity in any beneficiary country to be added
into qualifying content, regardless of whether it is sufficient in itself to confer
originating status) and less stringent de minimis rules. As Brenton (2003) argues, more
liberal Rules of Origin should also increase the benefits from implementing trade
facilitation measures, since meeting Rules of Origin requirements is one of the greatest
burdens on African countries’ customs and origin-certifying institutions.
Preferences could also be improved in three other obvious ways. One would be to withdraw the time limitations that apply to almost all schemes but most notably AGOA, dampening the incentive to invest in beneficiary countries for export purposes. A second would be to consolidate and deepen all existing preference schemes aimed at Africa, in a way that generalises access at the most favourable level. In practice, this would mean extending AGOA-type ‘Less Developed Beneficiary Country’ access to all merchandise goods and to all OECD-country end-markets. A third would be to extend preferences into areas of trade where they are currently non-existent. In this context, Stevens and Kennan (2004) recommend their extension into trade in services. Although they provide few examples of what this might entail, this is obviously a fruitful area for further reflection. Finally, as Page and Kleen (2005) point out, uncertainties around the legal status of the Enabling Clause need to be removed, in order to obviate the argument that non-reciprocal and time-unlimited preference schemes per se are in contravention of WTO rules.

This type of policy recommendation will pose severe negotiating challenges in the WTO. The granting of improved preferences specifically for Africa will by definition hurt other countries, including other developing countries, some of which have comparable income levels. One alternative, better adjusted to the WTO context, would be to grant improvements only to LDCs, thereby excluding 16 African countries while including a somewhat larger number of low-income ones from other regions. Another proposal would be to grant improved preferences on the basis of an objective analysis of which countries gain nothing from the remainder of the negotiating agenda. As argued above, a large majority of African countries belong to this category.

References


26. ‘Everything But Arms’ is an exception in this regard.


