



# CONTEXTUALIZING DEVELOPMENT IN INTERNATIONAL TRADE

*A report prepared by the Centre for Trade  
& Investment Law*

## ABSTRACT

An in-depth study of the history of development agenda in multilateral and regional trade, the correlation between international trade and development, and the Special and Differential Treatment.

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## I. INTRODUCTION

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Development in the truest sense of the word means upward movement of the entire social system, which includes besides the obvious economic factors, all noneconomic factors that help improve a society's way of managing its natural and human resources. These noneconomic factors include all kinds of consumption by various groups of people; consumption provided collectively; educational and health facilities; technological advancement; and more generally, economic, social, cultural, and political satisfaction.<sup>1</sup>

While elaborating on the meaning of development, British economist Dudley Seers propounds that while there certainly can be value judgments on what counts as development and what does not, it should be a universally acceptable aim of development to create favourable conditions in market that lead to the full realisation of the potentials of human personality.<sup>2</sup>

Amartya Sen's work also helps in shedding light on the idea of development and what it actually means. In fact, Amartya Sen has twice changed the narrative of development along with our thinking about what encompasses development in the contemporary world. Historically speaking, traditional welfare economics had always focused on income as the main parameter of well-being until Sen's ground-breaking work came to light in the 1980s, where he argues that development includes a wider range of factors, such as, education, health amongst others which were not captured by income alone. As an alternative to welfare economics, Amartya Sen and Martha Nussbaum conceived the "Capability Approach," which brings together a variety of ideas that consider what people are actually able to do and be, rather than focusing on the commodities or wealth people possess.<sup>3</sup> This approach has been employed extensively in the context of human development as a broader and deeper alternative to narrowly construed economic metrics such as growth in the Gross Domestic Product (GDP) or unemployment rate. Furthermore, this approach has been a dominant paradigm for policy debate in development, which led to the introduction of the United Nations Human Development Index

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<sup>1</sup> What Is Development?, Gunnar Myrdal, *Journal of Economic Issues* Vol. 8, No. 4 (Dec., 1974).

<sup>2</sup> The Meaning of Development, Dudley Seers (1969).

<sup>3</sup> The Capability Approach and Human Development, Oxford Poverty & Human Development.

(a popular and highly regarded measure of human development, capturing capabilities in education, health, Gross National Income amongst others).<sup>4</sup>

Another interpretation of what development means was propounded by Amartya Sen in 1999 in his book *Development as Freedom*,<sup>5</sup> where he argued that freedom is the ultimate goal of economic advancement and the most efficient way of realizing general welfare. In other words, according to Sen, economic development includes a set of linked freedoms, namely, political freedom, freedom of opportunity, economic protection from abject poverty, and others. Sen uses the term “unfreedom” for “lack of freedom” and says unfreedom includes an unsustainable economic life, unemployment, violation of political freedom and basic liberty, little to no access to health, sanitation. Moreover, freedom of exchange, labour contract, and social opportunities are not just ends or critical components of development but also means to development. Therefore, real development means overlapping mechanisms that progressively enable the exercise of a growing range of freedoms, which in turn, facilitate society’s growth. Sen’s view is now widely accepted in economic circles and it indeed holds true that development must be judged by its impact on people, and not only by changes in their income but more generally in terms of their choices, capabilities and freedoms.

Development carries a strong connotation of a perennial change; development consists of more than just improvement in the well-being of a society’s members. It conveys something about the capacity of economic, social, and political systems to provide the circumstances for the well-being of citizens on a sustainable basis. Basically, this school of thought sees development as an emergent property of an economic, social and political system.

## II. LITERATURE REVIEW

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The WTO regime recognises imbalance of international trading system between Member states. The inherent gap of developmental dynamics between states play a crucial role in such imbalances. Economic imbalances reduce the capacity of developing countries to produce and to trade. They need assistance to come to the level of the other participants. Therefore, the WTO was established not only to enhance trade between its members but also to promote development. In furtherance of this, *the special and differential treatment* was provided to allow member states to trade amongst

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<sup>4</sup> Amartya Sen, *Commodities and Capabilities*, Oxford University Press, 1985.

<sup>5</sup> Amartya Sen, *Development as Freedom*, OUP, 1999.

themselves without any kind of imbalances as whatsoever. It would allow developing and least developed Members the space to calibrate trade integration in ways that help them support sustainable growth, employment expansion and poverty reduction. Therefore, the report argues that the S & D treatment is accorded as a right rather than as a concession to the developing or least developed member-states. Developed Members have the required economic structure to reap the benefits from enhanced market access and lower trade barriers, but developing Members face structural constraints and weak capabilities that put them in a different position. Successful integration into the global economy and achieving sustained economic growth requires a development-friendly trade regime, which encourages its developing Members to push forward their development agenda.

Lately, some developed member states like the USA has questioned such treatments. The argument proposed by such states to understand development was focused on the GDP parameter of a state. In contrast, Amartya Sen, the Nobel Prize awarded economist argued such approach as a narrowly construed economic metrics. In alternative he offered *capability approach* which has a broader and deeper alternative to human development. International trade has played a crucial role in the development process. Since, it has multiple dimensions with other phenomenon like poverty, economic inequality, gender imbalance, public health, climate change, employment, investment, regulatory issues, agriculture and productive capacity and many more. The report with the help of economic analysis of different types of economics and developmental indices shows that developing and least developed member states are on the lower strata of development measures.

Thus, the report argues that the S&DT is an integral part of the multilateral trading system, and self-declaration of developing Member status, a fundamental rule in the WTO.

### III. CORRELATION OF TRADE AND DEVELOPMENT

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The relationship between trade and growth is an essential aspect of any theory of development. Proponents of liberalized trade policies as contributing factors to foster economic growth, argued that the traditional theory of international trade still shows the best way to understand trade and growth. They maintain the position that openness to trade, factor and technology flows play a key role in contributing to the sources of growth.



Over the past couple of decades, the world economy has experienced sustained positive economic growth, and consequently, this has been accompanied by even faster growth in global trade. Economists, policy makers, academicians have all made significant contributions to the trade and development discourse. The most important fact about the relationship between trade and economic growth is that trade openness drives growth.

International trade is defined as “the exchange of capital, goods, and services across international borders.” The two main data items used in the computation of international trade are imports and exports. In most countries, such trade represents a major share of the country’s GDP. International trade has played a crucial role in the development process. This is primarily because over the past couple decades, the appearance of international trade has evolved, and has become multi-faceted with regards to its links to development. When it comes to the correlation between development and trade, as we know, trade is related to many other dimensions within the development sphere, be it poverty; gender; economic inequality; public health; climate change; employment; investment; regulatory issues; agriculture and productive capacity. These are areas where direct trade linkages are seen to not only support and facilitate development.

A dichotomy highlighted in UNCTAD’s 2018 Trade and Development Report<sup>6</sup> in regional growth trends illustrates how trade and development have had different impact on different geographical regions, such as, developed countries, Latin America, developing Asia, transition economies, and developing Africa.

When it comes to Developing Africa, Northern Africa has experienced comfortable growth rate, helped in large measure by growth in Egypt, and Western Africa with many economies, such as Benin, Burkina Faso, Côte d’Ivoire, Ghana and Guinea, recording reasonably high growth. The two worst performing sub-regions are Middle Africa and Southern Africa. Factors driving growth included, besides increased commodity prices, increased infrastructure investments. However, much of the expenditure driving growth was funded with borrowing from abroad in many cases, resulting in a return of the “high indebtedness” problem. By the late 2000s, debt relief programmes had substantially reduced the debt burden of African countries. But since then, countries have accumulated new debt and a number of African countries are currently being

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<sup>6</sup> Trade and Development: Power, Platforms and The Free Trade Delusion (Report 2018), United Nations Conference on Trade and Development; [https://unctad.org/en/PublicationsLibrary/tdr2018\\_en.pdf](https://unctad.org/en/PublicationsLibrary/tdr2018_en.pdf)

identified as being debt-distressed. With international interest rates set to rise, the health of these economies could deteriorate quickly.<sup>7</sup>

In Latin America, external vulnerability appears greater in Mexico, which experienced a drop in the GDP growth rate to 2.3 per cent in 2017 from 2.7 per cent in 2016, partly because of the adoption of a conservative fiscal stance and partly because of the uncertainties surrounding NAFTA. However, seasonally adjusted GDP growth in the first quarter of 2018 accelerated recording a 1.1 per cent increase relative to the previous quarter. This may be under challenge because of the imposition of higher tariffs by the United States on a range of imports from Mexico. Growth can also be adversely affected because of an increase in interest rates from already high levels, necessitated by rising interest rates in the United States and a substantially depreciated currency. If rates are not raised, capital flight could severely damage the currency. However, a more proactive fiscal stance on the part of the newly elected Government could increase domestic demand.<sup>8</sup>

Trade can and has over the years become a powerful engine for development. Such an effect is further strengthened with trade liberalization and openness that invariably increases a country's integration with the global economy, thereby, enabling trade development oriented projects to redound optimum benefits.

It is widely acknowledged that there is a dire need for more engagement and participation by developing countries and LDCs when it comes to government to government negotiations to ensure representation of all interests within countries along with ensuring the continued legitimacy of international institutions. After all, it is imperative for countries, especially, developing countries and LDCs to have their own independent developmental agenda, that can help facilitate the overall development of their nations. Such kind of participation includes but is not limited to the following in the international arena:

- Talks on trade: apart from engaging with the World Trade Organization (WTO), many countries are also involved in regional negotiations, such as, The Southern African Development Community (SADC), East African Community (EAC), Southern Common Market (MERCOSUR), Organisation for Economic Cooperation and Development (OECD), Association of Southeast Asian Nations (ASEAN) and Asia-

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<sup>7</sup> Id.

<sup>8</sup> Id.

Pacific Economic Cooperation (APEC). Some countries/areas are also engaged in bilateral negotiations, such as South Africa-EU, South Africa-Malawi, MERCOSUR-EU, EU-Mexico amongst many others.

- International financial regimes: organisations such as International Monetary Fund, World Bank (particularly, The International Bank for Reconstruction and Development), European Central Bank, and Asian Development Bank.
- Humanitarian assistance: International Committee of the Red Cross, United Nations Children's Fund, United Nations International Strategy for Disaster Reduction, Office of the United Nations High Commissioner for Refugees, Office for the Coordination of Humanitarian Affairs amongst others.

Furthermore, trade has long been recognized as one of the factors driving economic growth. Academicians such as Frankel & Romer<sup>9</sup> found a strong correlation between economic growth and trade by finding evidence of a causal relationship. If we look at country-level data from the past couple decades, countries with higher rates of GDP growth also tend to have higher rates of growth in trade as a share of output. Furthermore, different aspects of the development process have been emphasized by numerous scholars who have studied this field; Amartya Sen identifies freedom as both the primary end and principal means of development. Others have focused on poverty alleviation and the empowerment of poor people. No matter which approach one chooses, they all tend to consider economic growth a vital component of the development process.

Poverty alleviation is crucial in the development process; linkages between trade and poverty issues are not as direct or immediate as the linkages between poverty alleviation and national policies on education and health, infrastructure development, and governance. Trade can and certainly does affect the income opportunities of the poor in a variety of ways. Nearly half of the world's population, more than 3 billion people live on less than \$2.50 a day. More than 1.3 billion live in extreme poverty, which is about \$1.25 a day. According to UNICEF data, 22,000 children die each day due to poverty. Poverty not only encompasses material deprivation but is also associated with low levels of education and health, greater vulnerability, limited access to resources, and possible ill treatment by institutions of the state. But as studies and economic theory indicate, trade can help the poor within a country through its positive impact on per

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<sup>9</sup> David H. Romer & Jeffrey A. Frankel, 1999. "Does Trade Cause Growth?," American Economic Review, American Economic Association, vol. 89(3), pages 379-399.

capita income. Trade liberalization helps create conditions for faster income growth through better access to ideas, technology, goods, and services. Moreover, trade may also boost growth by promoting a more efficient use of resources through specialization and by allowing the realization of economies of scale.<sup>10</sup> However, one must take this view into account keeping in mind that each country has to devise an economic strategy tailored to its own unique local conditions in order to give itself the space to develop and strengthen its economy. As per Dani Rodrick, *“transitions to high economic growth are rarely sparked by blueprints from abroad. Opening up the economy is hardly ever a key factor at the outset. The initiating reforms instead tend to be a combination of unconventional institutional innovations with some of the elements drawn from the orthodox recipe. These combinations tend to be country-specific, requiring local knowledge and experimentation for successful implementation.”*<sup>11</sup>

Furthermore, the causal link between increase in trade and growth in development is well depicted in the case of countries such as India and China. High growth helps reduce poverty through two basic channels – by directly creating productive employment and increasing the tax revenue that can be spent on health, education and social welfare programmes specifically directed at the poor. Many of India’s welfare policies, such as National Rural Employment Guarantee Act (NREGA) of 2005 do this. With higher tax revenues coming out of higher growth (the tax-GDP ratio typically goes up during growth) due to reforms in trade, industrial, developmental, and fiscal policies, it has become easier to spend money on providing food, health services, and quality education to the poor than before. Many economists, including Amartya Sen, have argued that NREGAs, however desirable as a component of a social safety net, cannot create productive jobs in a sustained manner. For this purpose, the growth rate needs to pick up. Compare this to China’s achievements in alleviation of poverty. Their economic growth has led to a substantial increase in real living standards and a marked decline in poverty. As per China Foundation for Poverty Alleviation<sup>12</sup>, between 1981 and 2008, the proportion of China’s population living on less than \$1.25 a day is estimated to have fallen from 85% to 13.1% meaning that about 600 million people were taken out of poverty. Although China’s achievements in poverty reduction have been far more successful than India’s, it is attributed to China sustaining a double digit economic growth for many decades.

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<sup>10</sup> World Trade Report, Trade and Development, WTO (2003).

<sup>11</sup> Dani Rodrick, *One Economics. Many Recipes. Globalization, Institutions and Economic Growth* (Princeton: Princeton University Press, 2007), page 214.

<sup>12</sup> <http://en.cfpa.org.cn/>

Furthermore, one of the important objective of the WTO is to promote/enhance trade between north-south and south-south. Regional trade Agreements have been practiced by states for their bilateral and multilateral trade relationship between developed/developing and least developing countries. RTA law and practice can inform the interpretation of WTO agreements in a number of ways through the customary rules of treaty interpretation. The RTA as a ‘subsequent practice’ is a relevant rule of international law applicable between WTO members as per Article 31 (3) (b) of the VCLT. Thus, RTA practice could be considered as ‘subsequent practice’ with reference to the interpretation of Articles of GATT 1994<sup>13</sup>.

A number of RTAs between developing countries specifically identify which countries will be recipients of special treatment. The Common Market for Eastern and Southern Africa provides that members shall “*recognize the unique situation of Lesotho, Namibia and Swaziland...and grant [them] temporary exemptions*,”<sup>14</sup> and the Andean Community grants special treatment to Bolivia and Ecuador, in particular calling for efforts to “*seek adequate solutions to the problems stemming from Bolivia’s landlocked condition*.”<sup>15</sup>

The Andean Community’s Cartagena Agreement creates a special regime for Bolivia and Ecuador, “*with a view toward gradually reducing the differences in development that currently exist in the region. This system shall enable them to attain more rapid economic growth through effective and immediate participation in the benefits of the area’s industrialization and the liberalization of trade*.”<sup>16</sup> Such “differential treatments and sufficient incentives shall be established to compensate for Bolivia and Ecuador’s structural weaknesses.”<sup>17</sup>

The Caribbean Community (CARICOM) specifies which countries are “*less developed countries*.”<sup>18</sup> The ASEAN–Australia–New Zealand Free Trade Agreement specifies which “*newer ASEAN Member States*” are eligible for special treatment.<sup>19</sup> The Asia-Pacific Trade Agreement provides special and differential treatment for countries with special needs, especially LDCs.<sup>20</sup>

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<sup>13</sup> Van Damme, ‘what roles is there for regional international law in the interpretation of the WTO Agreements?’ Chapter 22, pp. 571-5.

<sup>14</sup> Arts 4.1(f), 4.4(d) Treaty Establishing the Common Market for Eastern and Southern Africa (Kampala, 5 November 1993; 2314 UNTS 265).

<sup>15</sup> Arts 3(j), 4, and 109–112, Decision 563: Official Codified Text of the Andean Subregional Integration Agreement (Cartagena Agreement) (Quirama Recinto, 25 June 2003) <<http://www.comunidadandina.org/ingles/normativa/D563e.htm>> (creating special regime for Bolivia and Ecuador).

<sup>16</sup> Art 109 Cartagena Agreement.

<sup>17</sup> Art 110 Cartagena Agreement.

<sup>18</sup> Art 4 CARICOM.

<sup>19</sup> Art 3 ASEAN–Australia–New Zealand Free Trade Agreement.

<sup>20</sup> The Asia–Pacific Trade Agreement (Beijing, 2 November 2005).

Other agreements do not identify which countries will receive special treatment, but note that implementation will be more difficult for some members and set forth the principle of special treatment on a need basis. For example, the Economic Community of West African States (ECOWAS) provides that members, considering the economic and social difficulties that may arise in certain Member States, particularly island and land-locked States, agree to grant them where appropriate, special treatment in respect of the application of certain provisions of this Treaty and to accord them any other assistance they may need.<sup>21</sup>

Similarly, the CARICOM sets out special provisions for “disadvantaged countries,” which, among other definitions, refers to those countries that will need special support measures due to “the adverse impact of the operation of the [single market] on their economies.”<sup>22</sup>

It is important to note that several RTAs contain a range of specific tool to compensate for development disparity on particular member state or regions within the said treaty coverage. For instance, implementation delays or “*transitional periods*” are used to level the playing field in a number of South–South RTAs. The Southern Common Market (MERCOSUR) sets forth “differentials in the rate at which [Paraguay and Uruguay] will make the transition”<sup>23</sup>. Similarly, the South Asian Association for Regional Cooperation sets a timeframe and target tariff rates according to levels of development<sup>24</sup>.

The CARICOM, for instance, mentions “technical and financial assistance to address economic dislocation arising from the operation of the [single market].”<sup>25</sup> RTAs in Asia, by contrast, take technical assistance and capacity building much more seriously. The ASEAN–Korea Free Trade Agreement provides assistance to Cambodia, Lao PDR, Myanmar, and Vietnam in developing their legal system by training professionals, sharing legal knowledge and experiences, and improving investment-related laws<sup>26</sup>.

Moreover, member-states to the ASEAN–China Free Trade Agreement recognize the importance of capacity building and technical assistance. In particular, human resource development stands out as one of the five priority sectors of cooperation.<sup>27</sup> The Agreement between Japan and the

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<sup>21</sup> Art 68 ECOWAS.

<sup>22</sup> Art 1 CARICOM.

<sup>23</sup> Art 6 MERCOSUR. Annex1, Art 1 MERCOSUR gives Paraguay and Uruguay an extra year for elimination of internal tariffs.

<sup>24</sup> Art 7 Agreement on South Asian Free Trade Area (Islamabad, 6 January 2004).

<sup>25</sup> Art 143.2(a) CARICOM.

<sup>26</sup> Art 2 (2) (c) ASEAN–Korea Annex on Economic Cooperation.

<sup>27</sup> Art 7 (1) ASEAN–China. The other four priority sectors include agriculture, information and communications

Socialist Republic of Vietnam for an Economic Partnership, meanwhile, has multiple provisions on technical assistance scattered throughout the agreement by topic<sup>28</sup>.

All these instruments approach development disparities squarely from a multilateral perspective. This is an interesting contrast to the WTO regime, which often leaves affirmative measures to members' discretion to act unilaterally. RTAs, and particularly South–South RTAs, appear to build asymmetries much more structurally in designing their trade liberalization process. The Asia–Pacific Trade Agreement, for instance, points out that its role in establishing preferences among developing countries would prove complementary to other international trade promotion efforts.<sup>29</sup>

## IV. HISTORY OF DEVELOPMENTAL AGENDA

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The WTO regime recognises imbalance of international trading system between states. The inherent gap of developmental dynamics (*the gap between developed and developing states on different measures*) between states play a crucial role in such imbalances. The multilateral trading system, from the early days of the GATT until the establishment of the WTO, has recognized the differences in levels of economic development and wisely ensured that Special and Differential Treatment (S&DT) would be one of its cornerstone principles. In fact, the United Nations identified international trade as a 'primary instrument for economic development'<sup>30</sup>.

In furtherance of such objectives, the WTO agreement contains provision of special and differential treatment. The S&DT principle was understood as a way to ensure that negotiated outcomes would accommodate differences in levels of economic development as well as the capacity constraint of developing Members. It would allow developing Members the space to calibrate trade integration in ways that help them support sustainable growth, employment expansion and poverty reduction.

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technology, investment, and Mekong River basin development.

<sup>28</sup> See, eg, Arts 53, 55, 102 Agreement Between Japan and the Socialist Republic of Viet Nam for an Economic Partnership (Tokyo, 25 December 2008); Arts 9, 17, 20 Implementing Agreement Between the Government of Japan and the Government of the Socialist Republic of Viet Nam Pursuant to Article 10 of the Agreement Between Japan and the Socialist Republic of Viet Nam for an Economic Partnership (Tokyo, 25 December 2008).

<sup>29</sup> Preamble para 7 Asia–Pacific Trade Agreement.

<sup>30</sup> UN General Assembly Resolution 1707 (XVI)



It is important to note at this place that the representative of Senegal characterize it as a ‘core principle in multilateral trade’<sup>31</sup>.

Most importantly, the representative from Kenya, on behalf of the African Group, stated:

*Trade was not an end in itself but something which was reflected in the objectives agreed to by the members in setting up first the GATT and now the WTO. Trade should contribute to the improvement of living standards, especially in developing and least-developing country Member. It had to be a welfare generating activity. He said that, in this context, it was recognized that special measures would be necessary to assist developing and least-developed country members to achieve a share in international trade that was commensurate with their development needs. He felt that this embodiment of special treatment in the core objectives and functions of the WTO recognised such treatment to be basic right for developing and least-developing country member as part of their overall right to economic development*<sup>32</sup>.

Moreover, the delegates of Pakistan and Malaysia referred S&D as a right and not a concession. The representative of Chile placed S&D on an even higher plane, describing it being based not so much on rights as on need<sup>33</sup>. In the view of the Indian delegate, the existing normative framework already provided for differentiation within a unified system.

*Asked members to recognize the fact that under Article XXIV of GATT 1994, regional trade agreements [RTAs] had been sanctioned. RTAs provided differential treatment between parties to the RTA and non-parties to the RTA. All such differentiation derived legitimacy from existing agreements as did S&D treatment. There was no difference between S&D treatment and the differentiated treatment which had been referred to[...]*<sup>34</sup>

The justification for S&DT is based on the differences in economic capacities of different member countries. Economic imbalances reduce the capacity of developing countries to produce and to trade. They need assistance to come to the level of all the participants. S&DT will be necessary as long as the multilateral trading system is composed of members at differing levels of development. S&DT makes the rules of the WTO equitable and gives it legitimacy<sup>35</sup>.

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<sup>31</sup> TN/CTD/M/7.

<sup>32</sup> TN/CTD/M/4.

<sup>33</sup> TN/CTD/M/7.

<sup>34</sup> India (TN/CTD/M/7) para 112.

<sup>35</sup> Development at the WTO- Sonia E. Rolland.



The pertinent point to note from above-mentioned statements and arguments are *firstly*, the developing countries characterization of S&D in the form of a right; *secondly*, the S&D as an integral aspect of the WTO and *thirdly*, the identification of S&D as a key factor in the development process of the WTO.

Nevertheless, lately the characterization of special and differential treatment as an integral part of the WTO has been extensively discussed and hot topic between member states. Therefore, it is imperative to enquire about its historical development in the WTO.

Four phases can usefully be distinguished for brief account of how the S&D issue has evolved in the GATT/WTO system. The first phase is from the creation of the GATT in 1948 to the beginning of the Tokyo Round in 1973. The second phase is the Tokyo Round itself, from 1973 to 1979. The third phase is from the end of the Tokyo Round to the end of the Uruguay Round, that is from 1979 to 1995. The fourth phase is from the end of the Uruguay Round until the present. These phases encompass significant events and tendencies in relation to the participation of developing countries in the multilateral trading system.

### **The First Phase (1948-1973)**

The first phase was dominated by market access questions, in particular the conditions of access for developing country exports to developed country markets. A notable landmark during this period was the twelfth session of the GATT Contracting Parties, held at Ministerial level in 1957. At that meeting, agricultural protectionism, fluctuating commodity prices and the failure of export earnings to keep pace with import demand in developing countries were identified as undesirable features of the international trading environment. A Panel of Experts was established to examine trends in international trade in light of these concerns.

The Panel was chaired by *Professor Gottfried Haberler*. The 1958 Haberler Report confirmed the view that *developing country export earnings were insufficient to meet development needs and focused primarily on developed country trade barriers as a significant part of the problem*. In response to the Haberler report, GATT Contracting Parties established three committees to develop a co-ordinated Programme of Action Directed Towards an Expansion of International Trade. Most importantly, Committee III focused on barriers to exports maintained by developed countries. By 1963, Committee III had drawn up an eight-point Plan of Action, which among other things called for a freeze on all developed country trade barriers on products of interest to developing countries and the removal

of all duties on tropical and other primary products. The Programme of Action became part of the Kennedy Round (1964-1967) and was never implemented to a significant degree.

On the institutional front, the shift in development thinking initiated by the *Prebisch-Singer* thesis was enshrined in the United Nations Conference on Trade and Development (UNCTAD), established in 1964. The birth of UNCTAD, the growing number of newly independent states following de-colonization in Africa, Asia and the Caribbean, the Cold War, and the success of developing countries in placing their issues centre-stage in the GATT all contributed to the decision to establish Part IV of the GATT in 1965<sup>36</sup>.

Part IV consisted of three Articles on Trade and Development<sup>37</sup>. While designed to promote development and developing country interests in the trading system, Part IV is a set of “*best endeavour*” undertakings with no so called legal force (*emphasis*) – a fact that has been the source of dissatisfaction among many developing countries to the present day. One particularly significant feature of Part IV, however, was the assertion of the principle of non-reciprocity in Article XXXVI:8. Non-reciprocity meant that developing countries would not be expected, in the course of trade negotiations, to make contributions inconsistent with their individual development, financial and trade needs.

## **The Second Phase (1973-1979)**

By the time of the second phase in the evolution of this debate (Tokyo Round, 1973-1979), the pendulum in trade policy discussions had started to swing away from import substitution and towards favouring greater export orientation. The inherent limitations and trade-distorting effects of excessive reliance on import substitution were becoming better understood. The move towards a more neutral stance in respect of trade policy incentives implied opening up more to import competition as well as removing the policy bias against exports. From the institutional perspective, Part IV already indicated this second aspect of the trade and development debate in GATT, which was to focus increasingly on developing countries’ own trade policies as well as market access for their exports. It was this tendency, coupled with a strong emphasis on non-tariff trade measures in the Tokyo Round that distinguishes the second phase from the first.

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<sup>36</sup> The numerical preponderance of developing countries was beginning to assert itself at this time. In 1960, 21 members of GATT were developed countries and 16 developing countries. By 1970 the figures were 25 developed countries and 52 developing countries.

<sup>37</sup> Article XXXVI – Principles and Objectives, Article XXXVII – Commitments, and Article XXXVIII – Joint Action.

Much of the negotiating involvement of developing countries in the Tokyo Round aimed at limiting the extent to which the new agreements (the Tokyo Round “Codes”) on non-tariff measures would impose policy limitations or undue administrative or financial burdens on developing countries. This objective, together with continued insistence on the importance of non-reciprocity in market access negotiations, led to three principle results for developing countries.

First, developing countries agreed to limited market access commitments and relatively few tariff bindings.

Second, the “code approach” was adopted in respect of the new non-tariff measure agreements, meaning that the agreements only applied to signatories. Many developing countries refrained from signing the various codes, which covered technical barriers to trade, customs valuation, import licensing, subsidies and countervailing measures, anti-dumping and government procurement.

Third, a new framework was established to define and codify key legal rights and obligations of developing countries under the GATT. The 1979 Decision on Differential and More Favourable Treatment, Reciprocity and Fuller Participation of Developing Countries, also known as the Enabling Clause, provided permanent legal cover for the Generalized System of Preferences, for S&D provisions under GATT agreements, for certain aspects of regional or global preferential agreements among developing countries, and for special treatment for least-developed countries.

The Enabling Clause also restated the principle of non-reciprocity, as first spelled out in Part IV, and further stated that developing countries expected their capacity to make contributions or negotiate commitments to improve with the progressive development of their economies and improvement in their trade situation. This was the origin of the notion of “**graduation**”.

Some commentators praised the flexibility that the Tokyo Round results afforded developing countries, believing it supportive of their development needs. Others considered that the degree of non-engagement implied by these arrangements meant that developing countries gained little from the system. This argument was based on two points – **(a)** that the GATT did not support developing countries in the formulation of better trade policies, and **(b)** that because developing countries offered as little as they did in the negotiations, they received little in return from their trading partners.

### **The Third Phase (1979-1995)**

The third phase in the evolution of developing countries in the trading system saw a change in direction in the S&D debate. By the end of this period in 1995, when the Uruguay Round was completed, developing countries had assumed a much higher level of commitments within the system than ever before. A number of factors explain this trend.

First, some developing countries had enjoyed rapid growth and had succeeded in diversifying their economies, particularly in Asia and to some degree in Latin America. This made them better equipped to participate more fully in the trading system and changed the nature of their interests in international negotiations.

Second, the decade of the 1980s opened with a significant realignment in economic thinking in some major economies, especially the United States. This approach, while not always pursued consistently in the trade policy field by the large trading nations, nevertheless militated against government intervention and emphasized the role of markets, including for development.

A third factor was the sense that the trading system itself needed fixing. The system was trying to confront the challenge of contingency protection provisions, with the increased use of voluntary export restraint arrangements.

Regionalism was appearing on the trade policy scene in a more significant way and governments were concerned about the multilateral consequences of this development. Some governments felt it was time for the GATT to tackle agriculture, something it had failed to do for the forty years of its existence. Similar sentiments applied in the case of textiles and clothing. In addition, some developed country governments wished to see the trading system encompass new areas, in particular investment, trade in services and intellectual property rights. Finally, the idea that developing countries ought to assume higher levels of obligation within the system was also increasing in currency.

The single undertaking of the Uruguay Round meant that all WTO members had to accept all agreements, in sharp distinction to the code approach of the Tokyo Round. This alone meant an important range of new developing country commitments within the system. Many developing countries significantly increased their tariff bindings, especially in agriculture. In addition, new agreements in services and intellectual property applied to all through the single undertaking.

## **The Fourth Phase (1995-Present)**

The fourth phase began with a significant challenge for developing countries as they prepared to absorb their new Uruguay Round obligations legislatively and administratively, although in many instances developing countries were accorded phase-in periods for the assumption of new obligations. This period also began with a sense among many developing countries that they had not been given an adequate opportunity to participate in the closing stages of the Uruguay Round and had been presented with a *fait accompli*, particularly as a result of the single undertaking. This feeling of exclusion was the conviction that not all the obligations assumed under the Uruguay Round package were consistent with national economic interests and development priorities.

Discussions have been held in different contexts over the last few years on how to improve the internal working methods of the WTO in order to ensure that all parties who wish to participate in negotiations and decision-making are able to do so. This matter is very important and will continue to be discussed, but does not explicitly form part of the Doha agenda. On the policy side, however, the “implementation” debate was soon engaged and became a major element in the discussions at Seattle, at Doha and beyond.

Two distinct elements inform the implementation discussions. One concerns the difficulty some developing countries are encountering as they seek to implement their obligations, bearing in mind the costs, administrative aspects and human capital requirements of implementation. Efforts are being made to address this aspect of implementation through augmented technical assistance and capacity building efforts.

The other aspect of implementation relates to the substantive provisions of various WTO agreements. Developing countries are seeking modifications to many provisions on the grounds that they need to be made more supportive of development and/or less restrictive in relation to the degree of policy flexibility afforded developing countries.

Some progress was made on implementation issues at Doha, but elements of this discussion are continuing. At Doha, another exercise was launched, focusing specifically on making S&D provisions more effective. At the same time, Paragraph 44 of the Doha Declaration calls for a review of all S&D provisions “with a view to strengthening them and making them more precise, effective and operational”. Both the implementation and S&D discussions have been the focus of many hours of meetings and many issues remain unresolved.

### **Classification of developed and developing countries-**

The Preamble to the Agreement establishing the WTO (WTO Agreement) sets out the goals of the WTO. In doing so, it also refers to the concepts of development and developing countries, as follows:

- (1) that there are structural features behind the UN classification that distinguish countries in terms of their development challenges;
- (2) that these features form the basis on which countries classify themselves and are adapted to the various mandates, functions and statistical work of the IOs.

For the WTO, the status of developed and developing Members are reflected in the bargaining process, and incorporated into the final rules themselves. The self-declaration approach has proven to be the most appropriate to the WTO, which best serves the WTO objectives.

The gap between the developed and developing Members is manifested in two ways. First, with reference to an indicator, the difference in value between the developed and developing Members widens over time; and second, even if the difference in value does not widen over time, the gap between the developed and developing Members during a time period is substantial.

Mahbub ul Haq, the founder of the Human Development Report, stated that "[t]he basic purpose of development is to enlarge people's choices". The meaning of the expression "developing countries" is imprecise and is based on economic as well as socio-political criteria. This definition is based on the broad definition of development given by Amartya Sen who defines development as:

a process of expanding the real freedoms that people enjoy. Focusing on human freedoms contrasts with narrower views of development, such as identifying development with the growth of gross national product, or with the rise in personal incomes, or with industrialization, or with technological advance, or with social modernization. Growth of GNP or of individual incomes can, of course, be very important as means to expanding the freedoms enjoyed by the members of the society.

Development is a holistic concept that must be approached from a socio-economic perspective. It is an inclusive process in the context of the diversities of the society. Therefore, development relates not only to incomes but also to reducing inequalities in society due to multiple ethnic group.

Article XVIII: 1 of the General Agreement on Tariffs and Trade (GATT) refers to developing countries as those "the economies of which can only support low standards of living and [which] are in the early stages of development." In other words, developing countries are faced with socio-economic challenges. The concept also evolves with time.

Consequently, developing countries have always tried to highlight the specificities of the problems faced by them and have argued that their special position should be taken into account in the GATT and in the agreements of the WTO. The "special position" signifies the delay in economic development experienced by the developing countries due to colonization. In fact, the oldest demand of developing countries has been that the fact of the inequality of development should be reflected in legal norms.

First, they wanted preferential access to developed countries' markets. Second, they supported the application of the principle of non-reciprocity so as to maintain protection necessary for development. Third, they wanted some flexibility in applying GATT provisions. S&DT, by way of preferential market access, is a form of affirmative action in the multilateral trading system

S&DT is in conflict with the principle of non-discrimination, the fundamental principle of the GATT and WTO. Therefore, S&DT can be defined as an exception to the MFN clause in the GATT. The US considered S&D provisions to be 'flexible provisions for developing countries', Japan regarded them as 'tools for developing countries and LDCs and the European communities characterized them as stepping stone. Moreover, all these developed members together with Canada, took the view that S&D provisions were intended to ensure full integration and effective participation of developing members in multilateral trading system.

The WTO also incorporated S&DT by including many provisions in the agreements so as to benefit the developing countries. In *India – Quantitative Restrictions*, the panel interpreted the Preamble to the WTO Agreement in favour of developing countries by saying that the rules of the WTO encourage liberalization of trade and also recognize the necessity of particular exceptions to general rules so as to respond to specific issues including that of developing countries.

Since the developing countries wanted their special status to be taken into consideration, they contributed two chapters to the Havana Charter, the first dealing with economic development and reconstruction, and the second dealing with intergovernmental agreements on primary commodities. Their initiatives led to the inclusion in 1948 in the GATT of a provision of the Havana Charter relating to government assistance to economic development and reconstruction

which became Article XVIII of GATT. This article was reworked in the 1954-1955 session to allow more flexibility to developing countries in its application. Article XXVIII on tariff negotiations was also adopted in this session.

It says that tariff negotiations, important for international trade, should be conducted on the basis of reciprocity taking into account the needs of each contracting party and each industry. This means that there is no contradiction between reciprocity and the different needs of contracting parties. This article provides no response to a situation in which a contracting party cannot make reciprocal concessions. Moreover, it stipulates that the exchanges between the contracting parties in the negotiations should represent a substantial part of their foreign trade which would lead to the negotiations being successful. This means that any particular country would trade with fewer as opposed to a higher number of countries since the trade is to represent a substantial part of its foreign trade. Paragraph 3 of this article recognizes the need for developing countries to have recourse to tariff protection to enhance their economic development. However, this is not a special provision because all members of the GATT and/or WTO are entitled to resort to tariff protection.

In 1957, the GATT appointed a panel of experts led by Gottfried Haberler to examine why developing countries' trade did not go up at the same speed as that of the developed countries. According to Haberler, the export earnings of the developing countries were insufficient to enhance development; the main problem faced by these countries was market access barriers in developed countries, and therefore they were right in claiming that trade policies were not in their favour. The panel of experts also concluded that the agricultural sector in the developed countries was strongly protected, and bringing down this protection would benefit developing countries producing agricultural products.

The GATT instituted three committees, the third of which recommended abolition of trade barriers and tariffs on products of interest to developing countries, including primary commodities. However, these recommendations were not implemented. Clearly, not much has changed between the 1960s and today.

The justification for S&DT is based on the differences in economic capacities of different member countries. Economic imbalances reduce the capacity of developing countries to produce and to trade. They need assistance to come to the level of all the participants. S&DT will be necessary as



long as the multilateral trading system is composed of members at differing levels of development. S&DT makes the rules of the WTO equitable and gives it legitimacy.

Developing countries recognize international trade as an instrument of development. If the rules of international trade could be adapted to diverse national interests, there would be no need for S&DT.

Part IV, entitled "Trade and Development", came into effect on 27 June 1966. Article XXXVI aims to improve developing countries' access to international markets. This means that it recognizes that developing countries either do not have such access or that they have it but it is insufficient. It also states that developed countries will reduce or remove obstacles to the trade of developing countries without expectation of reciprocity

The use by developing countries of preferences granted by the Quad went down from 51.1 per cent in 1994 to 38.9 per cent in 2001. Thus, the effectiveness of these systems in terms of development has not been proved. According to the World Bank, the GSP does not benefit the developing countries because the number of excluded products which are of interest to developing countries is very high.

## V. GATT AND WORLD TRADE ORGANIZATION ERA

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The developing-developed Members dichotomy has long persisted in the contemporary world and is used by international organisations to describe the structure of today's global economy. The existence of the huge development divide between the developing and developed Members of the WTO is reflected in a variety of indicators, such as, poverty levels, employment in agricultural sector, public health, environmental issues, trade in services, GDP per capita, technological advances among other things.

Even though some developing Members of the WTO have succeeded in making considerable economic growth and progress over the past couple decades, they have not managed to come anywhere near the developed Members despite significant efforts. This gap between the developed and developing Members is referred to as the development divide, which was first taken note of in mid-1960s in Part IV of the GATT, has only widened over time. As highlighted

in the response paper<sup>38</sup>, against this backdrop, recent attempts by some WTO Members to selectively employ certain economic and trade data to deny the persistence of the divide between developing and developed Members, and to demand the former to abide by absolute reciprocity in the interest of fairness are disingenuous.<sup>39</sup>

The multilateral trading system, from the days of GATT until the establishment of WTO, has made conscious efforts of recognizing the differences in levels of economic development and ensured that Special & Differential Treatment (S&DT) would be one its cornerstone principles, which were established through rigorous negotiations and compromises.<sup>40</sup> The core motive behind the introduction of the S&DT principle was to give developing Members the much needed space to calibrate trade integration and conduct negotiations in ways that will help them support sustainable growth, employment expansion, and poverty reduction.<sup>41</sup> Therefore, attempts at ignoring the need for S&DT provisions, stripping developing countries and LDCs off of it, or diluting it, is riddled with the risk of making future negotiations within the WTO even more difficult than it is today. Developing Members have also argued that the attempt of some Members to ignore this harsh reality and dismiss the importance of S&DT provisions is to deprive developing Members of their right to develop.

Traditional S&DT provisions include preferential market access; this includes duty free quota free (DFQF) market access being provided for LDCs. There exist non-tariff barriers (NTBs) too which are far more important since there are hardly any S&D commitments when it comes to NTBs. Other S&DT provisions include exemptions from tariff reduction commitments and longer implementation periods. Developing countries and particularly LDCs are exempted from commitments to reduce tariffs or are often allowed to schedule lower reductions. For example, the Agreement on Agriculture has a variety of provisions that call for different rules to be applied to developing countries and LDCs for agriculture and trade. Some of the main S&DT provisions are as follows:

- Reductions in tariffs, domestic support and export subsidies are lower or spread over a longer period;
- Government stockholding programs aimed at enhancing food security;

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<sup>38</sup> “*The Continued Relevance of Special and Differential Treatment in Favour of Developing Members to Promote Development and Ensure Inclusiveness.*” General Council, World Trade Organization, 18 February 2019.

<sup>39</sup> “*The Continued Relevance of Special and Differential Treatment in Favour of Developing Members to Promote Development and Ensure Inclusiveness.*” General Council, World Trade Organization, 18 February 2019.

<sup>40</sup> Id.

<sup>41</sup> Id. Also, see [https://www.wto.org/english/tratop\\_e/devel\\_e/dev\\_special\\_differential\\_provisions\\_e.htm](https://www.wto.org/english/tratop_e/devel_e/dev_special_differential_provisions_e.htm)

- Least developed countries are exempted from making commitments to reduce tariffs, domestic support or export subsidies;
- The *de minimis* level of trade distorting domestic support permitted to developing countries is higher than that permitted to developed countries; and
- Some provisions call for flexibility in rules and discipline as well, for instance, aggregate levels of support, subsidies and other support to resource poor farmers, and export subsidies.

Many developing countries have become key players in the global market. Their exports are steadily growing and now represent about half of total world exports, with the largest developing countries accounting for three-quarters of that share.<sup>42</sup> The United States has proposed limiting the WTO's longstanding practice of allowing countries to self-declare their developing status in order to receive special treatment. The same would also apply to members of the Group of 20 (G-20) and "high income" countries as per the World Bank definition. It is said that over 30 countries would fall in one of these categories – countries as diverse as India, Indonesia, Colombia, Laos will no longer be able to self-designate developing status, even though they are certainly developing countries. The motive behind such a proposal seems that the United States expects all large economies, whether advanced or emerging, to abide by the same rules and not be treated differently. However, the US's proposal is inherently flawed. Self-declaration is certainly appropriate in the WTO context.

The issue is most visible when it comes to standards of living in most of the developing Members, even though significant efforts have been made, these standards fall far behind when compared to those of developed Members. Besides, as the report highlights, "the essence of development is the human being. Hence, per capita indicators must be given top priority<sup>43</sup> when assessing the development level of a country." Many developing Members have also argued that from an economic perspective, the issue is whether a country is large enough in terms of its world trade shares that its policy decisions can impact global prices, such as India's policies on sugar and China's policies on wheat. This certainly helps since in most, if not all, WTO agreements, the indicators used to assess development are based on per capita calculation, be

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<sup>42</sup> "The Continued Relevance of Special and Differential Treatment in Favour of Developing Members to Promote Development and Ensure Inclusiveness." General Council, World Trade Organization, 18 February 2019.

<sup>43</sup> Id.

it, GDP per capita or income per capita for the purposes of measuring the economic development of a Member country.

One of the biggest counter-argument presented by developed Members is that institutional constraints significantly inhibit their capacity to effectively negotiate trade agreements and leverage the opportunities of international trade; which is why developing countries, more often than not, stick to the notion of S&DT almost as a point of honour. Furthermore, from what we have seen in relation to WTO's Trade Facilitation Agreement (TFA), there exists great heterogeneity across developing Members and differentiation certainly does occur. Implementation of the TFA has itself witnessed differentiation as countries self-determine their need for transition periods. This is why smaller and poorer Members embrace a rationale for capacity building and technical assistance. In other cases, a few developing Members use S&DT to block progress in multilateral negotiations they consider stacked against their interests. As Keck and Low suggest, it is important for emerging market countries to claim a seat at the table to influence agenda-setting that align with their interests such that "active engagement in the multilateral trading system would bring the benefits of contractually based non-discriminatory liberalization, stability and predictability."<sup>44</sup>

A great way of understanding this development divide between developing and developed Members is by looking at various indicators that make this dichotomy clearer, be it in terms of human development, GDP per capita, regulatory issues, birth rate, corruption, literacy rate, climate change and environmental issues or others. This is illustrated in Annexure 1.

In all of this, what remains true is that developing countries and LDCs cannot be measured by the same yardstick of economic growth and progress as developed countries. The developing-developed dichotomy does not serve the WTO membership well.

There are many studies that show that with increase in income there is a subsequent increase in access to improved water source as well as sanitation services. There is a general link between income (or GDP per capita) and improved water sources. Typically, most countries with greater than 90% of households with improved water have an average GDP per capita of more than USD 10,000-15,000 whereas those with lower incomes tend to have a larger share of the population without access.

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<sup>44</sup> Alexander Keck and Patrick Low — WTO (2004) – working paper.

Similarly to improved water access, the provision of sanitation facilities tends to increase with income too. See Graphs 36 and 37 below. However, the typical threshold for reaching 90-100% sanitation is higher than that of gaining access to improved water sources. As the chart depicts, even countries with an average GDP per capita greater than \$25,000 have rates of access well below 75%. Refer to Graph 46 for a pictorial depiction of the same.

## VI. DOHA DEVELOPMENTAL AGENDA

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Development was the *raison d'être* of the Doha Round<sup>45</sup>. Some scholars like Stephen Kim Park argues development agenda in Doha on the basis of right based approach<sup>46</sup>. The said approach emancipates from several UN Human Rights instruments<sup>47</sup>. The Doha Ministerial Declaration underlines the significance of developmental agenda as follows-

“International trade can play a major role in the promotion of economic development and the alleviation of poverty. We recognize the need for all our peoples to benefit from the increased opportunities and welfare gains that the multilateral trading system generates. The majority of WTO members are developing countries. We seek to place their needs and interests at the heart of the Work Programme adopted in this Declaration. Recalling the Preamble to the Marrakesh Agreement, we shall continue to make positive efforts designed to ensure that developing countries, and especially the least-developed among them, secure a share in the growth of world trade commensurate with the needs of their economic development. In this context, enhanced market access, balanced rules, and well targeted, sustainably financed technical assistance and capacity-building programmes have important roles to play”<sup>48</sup>.

It is pertinent to note that the Ministerial Declaration at Doha mentions various times that a stronger participation of developing countries in the negotiating process and their capacity to implement WTO obligations will depend to an important extent on their access to technical

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<sup>45</sup> [https://www.wto.org/english/news\\_e/news05\\_e/stat\\_lamy\\_28nov05\\_e.htm](https://www.wto.org/english/news_e/news05_e/stat_lamy_28nov05_e.htm)

<sup>46</sup> Stephen Kim Park, Talking the Talk and Walking the Walk: Reviving Global Trade and Development after Doha, 53 Va. J. Int'l L. 365 (2013).

<sup>47</sup> Sabella D. Bunn, The Right to Development: Implications for International Economic Law, 15 AM. U. INT'L L. REV. 1426, 1443-46 (2000).

<sup>48</sup> World Trade Organization Ministerial Conference, Draft Ministerial Declaration, WT/MIN (01)/DEC/W/1, at para. 2 (Nov. 14, 2001) (announcing the ideals of the declaration as agreed upon by the participants), available at <http://docsonline.wto.org/>

cooperation and capacity building (often called 'Trade-Related Technical Cooperation, TRTC). Nevertheless, a balanced outcome was difficult to achieve due to the inherently asymmetrical bargaining power of the players in global trade arena<sup>49</sup>." According to Gregory Shaffer "*the main message coming from experience is that the objective of TRTC has to be to create well-functioning institutions and that the training of people is only one aspect of it*"<sup>50</sup>. However, Ambassador Matthias Meyer thinks that "*linking assistance to negotiations is a good thing because it improves the relevance and effectiveness of the assistance, provided ways can be found to manage properly conflicts of interest*"<sup>51</sup>.

From the very beginning, developing countries accorded great importance to the process of agenda setting. They believe that an agenda, which reflects their interests, is a necessary condition for a balanced and sufficiently broad-based negotiating outcome<sup>52</sup>.

Developing countries, and particularly the least-developed, argue that they face high trade barriers for products where they have a comparative advantage and that they have not benefited from previous trade rounds to the extent they expected.

1. **Agriculture:** If the Doha Round is to be a development round, an absolute *sine qua non* is to enormously reduce the subsidies and trade barriers that so distort agricultural trade. Agricultural subsidies by the EU, Japan, and the U.S. alone are substantially greater than the gross domestic product of all 32 least-developed country members of the WTO combined. Developing countries argue that these subsidies dramatically lower world prices for their products, severely injuring their industries and stealing export markets in areas where the developing countries have a comparative advantage.
2. **Non-agricultural Products:** Previous rounds of multi-lateral trade negotiations have enormously reduced trade barriers in raw materials, manufactured goods, and other non-agricultural areas. However, developing countries still face substantial distortions in exporting to developed countries due to high tariffs on products of interest and tariffs that are higher on processed products than raw materials.
3. **Trade Rules:** Developing countries that are aggressive exporters believe that WTO rules on antidumping and countervailing duties are tilted on the protectionist side and want

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<sup>49</sup> Leader: For the Good of the Globe: Justice Is the Goal for the Doha Trade Talks for Justice, THE GUARDIAN, Nov. 9, 2001, at 19.

<sup>50</sup> WTO Decision-making Procedures and Negotiations on Trade in Agriculture and Services edited by Ernst-Ulrich Petersmann 185-219.

<sup>51</sup> Ambassador Matthias Meyer, Swiss State Secretariat for Economic Affairs, Developing Countries' Issues in the Doha Round Negotiations

<sup>52</sup> <https://www.ictsd.org/bridges-news/bridges/news/like-minded-group-sets-out-positions-before-doha>

specific changes.

4. **Services:** Developing countries have emphasized what they see as an imbalance in services trade. As stated in a paper submitted by 10 developing countries, “developing countries have made substantial commitments under GATS [the General Agreement on Trade in Services] with respect to many service industries.... In contrast, they have not received concessions of any meaningful economic value under the movement of natural persons mode of supply<sup>53</sup>.
5. **Intellectual Property:** An absolutely critical issue for developing countries, which appears to have been successfully resolved, has been access to affordable medicines that have patent protection. However, there are still several other issues regarding intellectual property protection that remain. Some developing countries, such as India and Sri Lanka, have argued that current WTO rules that allow protection of geographic indicators for some wines and spirits should be extended to other products, a position that the European Union also strongly advocates. Traditional Knowledge is another such issue.
6. **Government Procurement, Trade Facilitation, Investment, and Competition Policy:** Developing countries, and particularly LDCs, opposed launching negotiations on these issues at the Cancun Ministerial Meeting. Some developing countries question whether the WTO is the right forum to address these issues.
7. **Environmental and labour standards:** Developing countries also have been very sceptical about addressing environmental and labour standards in the negotiations, primarily because of concerns that such standards could become a new means of protectionism.

The work program itself is spread over three documents, two declarations—a main declaration and one on intellectual property (TRIPs) and public health and one decision on implementation. The decision is particularly significant because developing nations often encounter difficulties in implementing the current WTO agreements<sup>54</sup>.

The main ministerial declaration elaborates on the conference's objectives by providing timetables for the current negotiations in agriculture and services. The declaration also addresses negotiations

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<sup>53</sup> S/CSS/W/114, submitted by Cuba, Dominican Republic, Haiti, India, Kenya, Pakistan, Peru, Uganda, Venezuela and Zimbabwe, 9 October 2001. The GATS agreement specifies four “modes” under which services can be provided. “Movement of natural persons” mode refers to the ability of service providers in the providing country to travel to the purchasing country to perform the service.

<sup>54</sup> World Trade Organization Ministerial Conference, *Implementation Related Issues and Concerns*, WT/MIN(01)/17 (Nov. 20, 2001).



or possible negotiations on a range of issues such as industrial tariffs, investment, competition, environmental regulations, and implementation<sup>55</sup>.

## VII. CONCLUSION

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The entire idea of S&DT has stood its ground on the question of equity and development over the years. The principle derived its strength from wide recognition that in order to help the developing countries gain from trade despite lower institutional and sectoral preparedness the norm of non-reciprocal preferences should hold when large and small countries engage through trade. While overall gains from free trade may be positive for participating countries, S&DT helps to even out sectoral imbalances in the developing world. Otherwise the margin of benefit falls substantially with irreversible loss in welfare measured in terms of unequal distribution of gains. Moreover, with imperfect competition in global trade as a result of policy induced distortions in the global North in the first place, the South had its own rights and reasons for S&DT. With the Doha Development Agenda mandating developmental priorities such issues were slated to get stronger. But that did not happen for a variety of reasons. One such reason was the perceived dichotomy of growth and development experienced in the emerging world. The developing countries got segmented into the middle income and low income groups. The developed countries sought to redefine the scope of preferences and carved out special provisions for the LDCs. The large emerging economies nevertheless had significant gaps in development and withdrawing special preferences can substantially affect their developmental objectives.<sup>56</sup>

S&DT's aim has been to help developing countries fully integrate into the multilateral trading system by providing concessions, tariff preferences, and certain advantages. Such preferential provisions remain important instruments of the multilateral trading system. In today's world, when tariffs have dramatically increased in many developed countries, giving developing countries and least developed countries the space to develop and strengthen their economies remains a crucial aspect of the WTO.

The real threats to the relevance, legitimacy and efficacy of the WTO are the proliferation of WTO-inconsistent protectionism and unilateralism, the blockage of Appellate Body member

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<sup>55</sup> World Trade Organization, Fourth Ministerial Declaration, WT/MIN(01)/DEC/I (Nov. 20, 2001) memorializing the agreement made between the 142 nations that attended the talks at Doha, *available at* [http://www.wto.org/english/thewtoe/ministe/01\\_e/mindecl\\_e.html](http://www.wto.org/english/thewtoe/ministe/01_e/mindecl_e.html)

<sup>56</sup> Chapter 10, Relevance of Special & Differential Treatment, World Trade & Development Report.



selection process and the impasse of the Doha Development Round, and not the self-declared development status of developing Members. S&DT is an integral part of the multilateral trading system, and self-declaration of developing Member status, a fundamental rule in the WTO, has proven to be the most appropriate classification approach to the WTO. Further, developing Members continue to confront many formidable challenges, which underscores the continued relevance of S&DT provisions in their favour. As a fundamental right granted to all developing Members, each developing Member shall, based upon its own particular situation, make the decision by itself on whether, when, where and how to use S&DT, and to what extent as well. No other members are entitled to interfere with such a self-declared decision. If this had not been the case, the WTO would not have been able to expand to today's scale and formulate such a comprehensive rules-based system through rounds of multilateral negotiations. Any attempt to dilute S&DT would be in conflict with the fundamental premise of equity and fairness that underpins an international treaty framework in a context of a Membership as diverse as that of the WTO.<sup>57</sup>

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<sup>57</sup> *The Continued Relevance of Special and Differential Treatment in Favour of Developing Members to Promote Development and Ensure Inclusiveness.* General Council, World Trade Organization, 18 February 2019.

## ANNEXURE 1

GDP Per capita (current US \$)	<p>Developed Countries: US- \$59,531; Canada- \$45,032; Australia- \$53,800; New Zealand- \$42,940; European Union- \$33,723.</p> <p>Developing Countries: China- \$8,827; Brazil- \$9,821; India- \$1,942; Indonesia- \$3,846; South Africa- \$6,151.</p> <p>The gaps in GDP per capita between developed and developing Members were significant, and have been expanding in absolute terms since 1995.<sup>58</sup></p> <p>Refer to Graphs 1 &amp; 2.</p>
Dispute resolution at the WTO level	<p>Article 21 of the Dispute Settlement Understanding has several clauses on the determination of the implementation period required to take into account the interests of developing countries. It is worth considering how the Special &amp; Differential Treatment mandate of Article 21 can be fulfilled to account for the circumstances of developing members in determining the period for implementation.</p> <p>As Sonia Rolland points out, it is worth seeing to what extent developing countries such as India and China will be able to successfully use development arguments as they continue to increase their share of global trade. However, for small and medium sized developing economies with trade and bargaining asymmetries, the ability to argue that their circumstances should play a role in determining the time period for implementation and possible retaliatory measures is quite important.<sup>59</sup></p>
Climate Change	<p>The Climate Change Performance Index 2019, which tracks the greenhouse gas emissions of 56 countries and the European Union also measures the countries' performance in two other categories, namely, renewable energy and energy use.<sup>60</sup></p> <p>Countries such as Sweden, Morocco, Lithuania, Latvia, and the United Kingdom</p>

<sup>58</sup> The World Bank, Data, GDP per capita (current US\$), <https://data.worldbank.org/indicator/ny.gdp.pcap.cd>

<sup>59</sup> "Considering Development in the Implementation of Panel and Appellate Body Reports," Northeastern Public Law and Theory Faculty Research Paper, Trade, Law and Development, Vol. 4, No. 1, (2012).

<sup>60</sup> Climate Change Performance Index, Results 2019, Germanwatch, New Climate Institute & Climate Action Network [https://www.climate-change-performance-index.org/sites/default/files/documents/ccpi2019\\_results.pdf](https://www.climate-change-performance-index.org/sites/default/files/documents/ccpi2019_results.pdf)

	<p>lead the rankings with high ratings. France, Germany, and the Czech Republic fall into the medium performing countries whereas Indonesia, Austria, and New Zealand rank as low performers. Furthermore, the bottom five performers are Saudi Arabia, Iran, US, Republic of Korea, and Chinese Taipei.</p> <p>The 2019 Index introduced a new category on climate policy, which recognizes the measures taken by governments to reduce their greenhouse gas emissions. Portugal, France, the Netherlands, Sweden and Morocco all scored high on national and international climate policy. Developed countries such as Australia and US are among the worst performing countries, performing low on national climate policy as well as “hindering progress in international negotiations.” Although Germany, Canada, and the UK perform relatively well on the international stage, they somehow fail to implement key policy measures at the domestic level.<sup>61</sup></p> <p>India ranks 11th in the 2019 Index; India has succeeded in improving its performance in the renewable energy sector, joining the group of medium performers. Besides that, India has reportedly had low levels of per capita emissions and a relatively ambitious mitigation target set for 2030.<sup>62</sup></p> <p>However, when it comes to China, the country’s greenhouse gas emissions have started to increase again. Performance in the Energy Use category remains very low, due to a very low rated trend in energy use per capita.<sup>63</sup></p> <p>Other developing countries such as South Africa and Indonesia rank 39th and 38th on the index respectively. National climate policy efforts are rated low by experts for both countries. South Africa is said to lack a clear emissions reduction strategy, has heavily subsidies fossil fuels and still does not have a coal phase-out plan. Indonesia has not seen an increase in the share of renewable energy combined with alarmingly high rates of deforestation call for strict national policies.<sup>64</sup></p> <p>Even when it comes to the Environmental Performance Index (EPI), its 2018 report measures environmental progress by ranking 180 countries on 24 performance indicators. The trend seems to be that most of the developed countries are ranked in the upper half, whereas developing and LDCs are ranked quite low. Countries such as Switzerland, France, Denmark, Malta, Sweden, United Kingdom comprise the first six ranks in the report. Nepal, India and Bangladesh fall in the bottom with their rankings being 176, 177, and 179 respectively (out of 180). Low scores on the EPI are indicative of the need for sustainability efforts on various fronts, in particular, cleaning up air quality and</p>
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<sup>61</sup> “2019 Climate Index Finds No Country Performed Well Enough to Receive Top Ranking,” SDG Knowledge Hub, International Institute for Sustainable Development, <http://sdg.iisd.org/news/2019-climate-index-finds-no-country-performed-well-enough-to-receive-top-ranking/>

<sup>62</sup> Id. (Page 16)

<sup>63</sup> Id. (Page 18)

<sup>64</sup> Id. (Page 19)

	protecting biodiversity. <sup>65</sup>
Intellectual Property Rights	<p>In terms of the receipts of charges for the use of intellectual property rights, developed Members have not only maintained a dominant position but also witnessed much higher growth in contrast to developing Members. In 1995, the IPR receipt of charges of the European Union, the United States and Japan was \$14.7 billion, \$30.3 billion and \$6.7 billion, respectively; by 2017, the figures had increased to \$144.1 billion, \$127.9 billion and \$41.7 billion, respectively. The 2017 figures were respectively 30 times, 27 times and 9 times that of China (\$4.8 billion); 206 times, 183 times and 60 times that of India (\$700 million); 240 times, 213 times and 70 times that of Brazil (\$600 million).<sup>66</sup></p> <p>Refer to Graph 9.</p>
Regulatory Issues (Ease of Doing Business)	<p>The Ease of Doing Business Index was created by Simeon Djankov at the World Bank Group. The Index consists of different parameters which include dealing with construction permits, getting electricity, registering property, buying property, getting credit, paying taxes, trading across borders, enforcing contracts, entrepreneurship, good practices, transparency in business regulation and protecting minority investors, among others. Economies are ranked on their ease of doing business, from a score of 1-190. A high ease of doing business ranking means the regulatory environment is more conducive to the starting and operation of a local firm along with stronger protections of property rights.<sup>67</sup></p> <p>The rank of developed countries such as New Zealand, the USA, the UK are 1, 8, 9, respectively whereas the ranking of developing countries such as India, Brazil, South Africa are 77, 109, 82 respectively.<sup>68</sup></p>
Total Rural Population	<p>The total rural population in the three developed Members in the first period was as follows: China (831 million), India (704 million) and Indonesia (125 million). In China and India, the rural population was around 6 times that the total rural population in the four developed Members. During the second period (2014-2016), the rural population in the following developing Members exceeded the total rural population in the four developed Members: Bangladesh (105 million), China (610 million), India (879 million), Indonesia (120 million) and Pakistan (121 million). While China's rural population continued to remain around 6 times that of the four developed Members, in India this increased to around 8 times. It is also relevant to note that during 2014-2016, the rural population of China was</p>

<sup>65</sup> Environmental Performance Index 2018, Yale Centre for Environmental Law & Policy and Centre for International Earth Science Information Network, Columbia University. In collaboration with World Economic Forum. <https://epi.envirocenter.yale.edu/2018/report/category/hlt>

<sup>66</sup> World Bank WDI (World Development Indicators)

<sup>67</sup> The World Bank, Doing Business, <http://www.doingbusiness.org/en/rankings>

<sup>68</sup> Ease of Doing Business Score and Ease of Doing Business Ranking, The World Bank, <http://www.doingbusiness.org/content/dam/doingBusiness/media/Annual-Reports/English/DB19-Chapters/DB19-Score-and-DBRankings.pdf>

	<p>almost thrice the combined rural population in Australia, Canada, the European Union, Japan, New Zealand and the United States; while the rural population of India was more than four times the combined rural population of these developed Members.<sup>69</sup></p> <p>Another parameter worth noting is The World Bank's Rural Population (% of total population) 2017 statistics - in countries such as India, 66% of the population is rural, China has 42% rural population, Bangladesh has 64%, Kenya has 73% whereas rural population in the US comprises only 18%, UK has 17%, France has 20%, Germany has 23%, Australia has 14%, Japan is at a record low of 8% along with Belgium having only 2% of its population counting as rural population.<sup>70</sup></p> <p>Refer to Graph 6.</p>
Agricultural sector	<p>The difference in the nature of agriculture in developed and developing Members is quite evident when we compare the value-added per worker for Agriculture, Forestry and Fishing. The value-added per worker for New Zealand, Australia, the United States, the European Union and Japan, in the period of 1995-1997 and 2015-2017, was \$77,600, \$37,649, \$31,003, \$13,137, \$20,763, respectively; and \$105,115, \$85,858, \$80,040, \$25,952, \$24,009, respectively. In contrast, the figures for China, Indonesia, India and Sub-Saharan Africa were \$1,073, \$1,975, \$863, \$791, respectively; and \$5,323, \$3,485, \$1,604, \$1,311, respectively. During 1995-1997, the value-added per worker in the United States was 36 times that in India, 28 times that in China and 16 times that in Indonesia. During 2015-2017, the gap widened further for India (50 times) and Indonesia (23 times).<sup>71</sup></p> <p>A high number of subsidies to the farmers in developed Members led to huge competitive advantage of their agricultural products in international market. In 2016, the domestic support per farmer in the United States was \$60,586; the corresponding figures for some other WTO Members were the following: Japan (\$10,149), Canada (\$16,562), the European Union (\$6,762), China (\$863), Brazil (\$345) and India (\$227). Thus, the per farmer subsidy in the United States was 70 times that in China, 176 times that in Brazil and 267 times that in India. Per farmer subsidy in Japan was 12 times that in China, 29 times that in Brazil and 45 times that in India. Per farmer subsidy in Canada was 19 times that in China, 48 times that in Brazil and 73 times that in India. In the European Union, per farmer subsidy was 8 times that in China, 20 times that in Brazil and 30 times that in India.</p>

<sup>69</sup> "The Continued Relevance of Special and Differential Treatment in Favour of Developing Members to Promote Development and Ensure Inclusiveness." General Council, World Trade Organization, 18 February 2019.

<sup>70</sup> The World Bank, Rural Population (% of total population) 2017, Estimates based on the United Nations Population Division's World Urbanization Prospects. <https://data.worldbank.org/indicator/sp.rur.totl.zs>

<sup>71</sup> World Bank WDI.

	<p>Furthermore, the number of farmers per hectare in most developing Members far exceeds that in the United States. To illustrate this point, in 2016, Egypt had 145 times the number of farmers per hectare as compared to the United States. Some other developing Members show similar situation of intensive farming. These include Indonesia (97 times), India (81 times), China (70 times) and Pakistan (53 times). Moreover, the average farm size in the United States is substantially larger than that in some developing Members - Egypt (216 times), Indonesia (205 times), India (134 times), Pakistan (58 times) and Turkey (30 times). The comparison of number of farmers per hectare and average farm size should leave us in no doubt about the fundamental difference in the nature of farming in some developing Members and the United States.<sup>72</sup></p> <p>Refer to Graphs 5, 7, &amp; 8.</p>
Trade Services	<p>in</p> <p>According to UN's <i>World Economic Situation and Prospects Report 2018</i>, in 2016, the population of developing economies constituted 85% of the global total, while their share in global services export was less than 30%, and their shares in the export of financial, telecommunication and other high value-added services were even lower.<sup>73</sup> According to the WTO, the services export per capita of major developing Members was only 10% that of developed ones<sup>74</sup>.</p> <p>Refer to Graph 10.</p>
Energy use per capita	<p>The number for the United States was 11 times that of India, 8 times that of Indonesia, 5 times that of Brazil and 3 times that of China, respectively.</p>
Finance	<p>Number of commercial bank branches per 100,000 of adult population is a useful indicator of availability of banking facilities. Most of the developing Members lag far behind the developed Members. While there were 32.68 commercial bank branches per 100,000 of adult population in the United States, the figures for some of the developing Members are the following: Brazil (20.74), Indonesia (17.69), India (13.49) and China (8.43).</p> <p>Two billion individuals and 200 million small businesses in the developing world (such as China, India, Brazil and South Africa) lack access to secure savings and credit, a financing gap estimated at \$2.2 trillion<sup>75</sup>.</p> <p>The number of unbanked adults is 1.7 billion globally, while 930 millions of them</p>

<sup>72</sup> UN Food and Agriculture Organization

<sup>73</sup> United Nations: *World Economic Situation and Prospects Report 2018*, p. 26.

<sup>74</sup> WTO, *World Trade Statistical Review 2018*, p.127 and p.131.

<sup>75</sup> James Manyika and Rodger Vohries, *What digital finance means for emerging economies*. See: <https://www.mckinsey.com/mgi/overview/in-the-news/what-digital-finance-means-for-emerging-economies>, accessed on 24 April 2019.

	<p>are from the 10 largest developing Members, 55% of the total<sup>76</sup>.</p> <p>Refer to Graph 11.</p>
Research and Development	<p>Only 4 of the world's top 100 universities are located in developing Members (2 in China and 2 in Singapore), while the rest 96% are located in developed Members (48% in the United States). Only 12% of the world's top 200 universities are located in developing Members, while the rest 88% are located in developed Members (36% in the United States). The number of the United States, the European Union and Japan was 4,313, 3,639 and 5,173, respectively; while the number of China, India and South Africa was only 1,159, 216, 473, respectively.<sup>77</sup></p> <p>If we look at the number of Standard Essential Patents (SEPs) from ISO, IEC and ITU, most of them come from developed Members: the United States, the European Union and Japan took the dominant position with 3,790, 3,660 and 1,517 SEPs, respectively, accounting for 87.49% of the total.<sup>78</sup></p> <p>Refer to Graph 12.</p>
Digital Divide/Technological advances	<p>In terms of internet users, the percentage in the developing world was only 8%, 21% and 41.3% in 2005, 2010 and 2017, respectively; while for the developed world, it was much higher, 51%, 67% and 81%, respectively. In terms of broadband subscriptions, the percentage of fixed broadband in the developing world was only 2%, 4% and 8.2% in 2007, 2010 and 2016, respectively, while for the developed world, it was much higher, 18%, 24% and 30.1%, respectively; the percentage of mobile broadband was 1%, 4%, 40.9% for developing world and 19%, 43%, 90.3% for developed world.<sup>79</sup> The difference therefore has increased from 18 percentage points in 2007 to almost 50 percentage points in 2017.</p> <p>The skill of processing electronic files, installing and configuring software and processing data are generally lower in developing Members than in developed Members<sup>80</sup>.</p> <p>Refer to Graphs 13, 14 &amp; 15.</p>
Company efficiency (Fortune 500 companies)	<p>The Fortune Magazine ranks the “Fortune Global 500” by companies’ total revenues. As per the 2018 report, the average profit of Fortune Global 500 manufacturing companies in the United Kingdom, the United States, Germany and Japan in 2018 was \$7.38 billion, \$5.2 billion, \$3.78 billion and \$3.14 billion,</p>

<sup>76</sup> World Bank, *Gains in Financial Inclusion, Gains for a Sustainable World*. May 18, 2018. See: [http://www.worldbank.org/en/news/immersive-story/2018/05/18/gains-in-financial-inclusion-gains-for-a-sustainable-world?cid=ECR\\_TT\\_worldbank\\_EN\\_EXT](http://www.worldbank.org/en/news/immersive-story/2018/05/18/gains-in-financial-inclusion-gains-for-a-sustainable-world?cid=ECR_TT_worldbank_EN_EXT), accessed on 24 April 2019.

<sup>77</sup> Best Global Universities, 2018.

<sup>78</sup> International Organization for Standardization, International Telecommunication Union.

<sup>79</sup> International Telecommunication Union

<sup>80</sup> ITU, *Measuring the Information Society Report*, Volume 1 2018 p.32.



	<p>respectively, while the number of their counterparts in China and Brazil was only \$891 million and \$1.519 billion. The profit of "Fortune 500" manufacturing companies in China and Brazil are only 12%, 17%, 24% and 28%, or 21%, 29%, 40% and 48% that of the above four Members, respectively.<sup>81</sup></p> <p>Most other developing Members have few or no Fortune 500 companies.</p> <p>Refer to Graph 17</p>
Globalization and advent of trade liberalization	<p>The Bertelsmann <i>2018 Globalization Report - Who Benefits Most from Globalization</i> took into account the economic, political and social aspects of the worldwide network to calculate the globalization index of each economy. The Report concluded that, among the 42 economies under the study, the bottom five that benefit the least from globalization are India, Argentina, Brazil, China and Mexico.<sup>82</sup></p> <p>Refer to Graph 16</p>
Human Development Index	<p>The Human Development Index (HDI) is a summary measure of average achievement in key dimensions of human development: a long and healthy life, being knowledgeable and have a decent standard of living. The HDI is the geometric mean of normalized indices for each of the three dimensions. It was created to emphasize that people and their capabilities should be the ultimate criteria for assessing the development of a country, and not economic growth rate alone. The health dimension is assessed by life expectancy at birth, the education dimension is measured by mean of years of schooling for adults aged 25 years and more and expected years of schooling for children of school entering age. The standard of living dimension is measured by gross national income per capita.</p> <p>The rank of developed countries like Australia, the USA, the UK, Japan are 3, 13, 14, 19 respectively. In contrast, the rank of developing countries such as Brazil, China, South Africa, India are 79, 86, 113, 129 respectively<sup>83</sup>, which in turn, shows the widening development gap between developed and developing Members.</p> <p>Furthermore, if we were to look at individual indicators, they help demonstrate the dichotomy of developed and developing Members. For instance, life expectancy at birth (in years) for Australia is 83.1, Germany is 81.2, Sweden is 82.6, Canada is 82.5, USA is 79.5, UK is 81.7, Japan is 83.9. However, life expectancy in India is 68.8, Bangladesh is 72.8, Lao People's Democratic Republic</p>

<sup>81</sup> Fortune 500, <http://fortune.com/fortune500/list/>, accessed on April 24, 2019.

<sup>82</sup> Bertelsmann Stiftung, 2018 Globalization Report. [https://www.bertelsmann-stiftung.de/fileadmin/files/BSt/Publikationen/GrauePublikationen/MT\\_Globalization\\_Report\\_2018.pdf](https://www.bertelsmann-stiftung.de/fileadmin/files/BSt/Publikationen/GrauePublikationen/MT_Globalization_Report_2018.pdf)

<sup>83</sup> Human Development Indices and Indicators, 2018 Statistical Update, United Nations Development Program. [http://hdr.undp.org/sites/default/files/2018\\_human\\_development\\_statistical\\_update.pdf](http://hdr.undp.org/sites/default/files/2018_human_development_statistical_update.pdf)



	<p>is 67, Kenya is 67.3, Nigeria is 53.9, Indonesia is 69.4. Similarly, Gross national income (GNI) per capita (PPP \$) in developed countries such as Australia is 43,560, in Sweden it is 47,766, Germany is 46,136, Canada is 43,433, in US it is 54,941, in UK it is 39,116, in Austria it is 45,415, in Japan it is 38,986. But when it comes to developing countries, GNI per capita in India is 6,353, in Vietnam is 5,859, in South Africa is 11,923, in Indonesia it is 10,846, in Bangladesh it is 3,677, in Kenya it is 2,961, in Afghanistan it is 1,824.<sup>84</sup></p> <p>These figures help illustrate capacity constraints, which clearly remain a serious problem for developing Members at the WTO. Capacity constraints translate to a serious lack in negotiating capacity, human resources, a weak regulatory framework and public governance among other things.</p>
Others: India's sugar subsidies, China's rice and wheat subsidies	<p>The domestic support per farmer in the United States was \$60,586; the corresponding figures for some other WTO Members were the following: Japan (\$10,149), Canada (\$16,562), the European Union (\$6,762), China (\$863), Brazil (\$345) and India (\$227). Thus, the per farmer subsidy in the United States was 70 times that in China, 176 times that in Brazil and 267 times that in India. Per farmer subsidy in Japan was 12 times that in China, 29 times that in Brazil and 45 times that in India. Per farmer subsidy in Canada was 19 times that in China, 48 times that in Brazil and 73 times that in India. In the European Union, per farmer subsidy was 8 times that in China, 20 times that in Brazil and 30 times that in India.</p>
Largest proportion of poor/Poverty population	<p>India (35.6% of world's poor), Nigeria (6.3%), Ethiopia (5.9%), Pakistan (5.4%), Bangladesh (4.5%), China (3.9%), DR Congo (3.7%), Indonesia (2.7%), Tanzania (2.1%) and Uganda (1.7%).</p> <p>38.2% of the world's poor are in LDCs, and 61.8% live in non-LDC developing Members who are called the "new bottom billion."<sup>85</sup></p> <p>Refer to Graph 3</p>
Largest no. of world's undernourished people	<p>According to the UN Food and Agriculture Organization, 10 countries with the world's largest undernourished people are: India (195.9 million), China (124.5 million), Pakistan (39.5 million), Bangladesh (24.8 million), Ethiopia (21.9 million), Nigeria (21.5 million), Indonesia (20.2 million), Tanzania (17.8 million), Uganda (17.2 million) and Philippines (14.2 million). The undernourished people of these 10 developing countries accounts for 62% of the world total.<sup>86</sup></p> <p>Refer to Graph 4</p>

<sup>84</sup> Id.

<sup>85</sup> The Bellagio Initiative on "Poverty in Middle-Income Countries", in November 2011, referring to this part of the world's poor that live in middle-income countries, called this the "new bottom billion" [www.cbm.org/article/downloads/82788/Summary\\_Poverty\\_in\\_MIC.pdf](http://www.cbm.org/article/downloads/82788/Summary_Poverty_in_MIC.pdf), accessed on 24th April 2019.

<sup>86</sup> UN Food and Agriculture Organization.

Corruption	<p>As per the Corruption Perception Index, Transparency International's flagship project is the leading global indicator of public sector corruption. The Index measures public sector corruption in 180 countries, giving each a score from zero (highly corrupt) to 100 (very clean).</p> <p>According to the 2018 Index, Denmark is the least corrupt country followed by New Zealand, Finland, Singapore, Sweden, Switzerland, Norway. Other developed countries such as UK, Australia, and US rank 11, 13 and 22 respectively. Compare this to developing countries such as India which ranks 78, China's rank is 87, Indonesia's rank is 89, Nigeria's rank is 144, Bangladesh's rank is 149.<sup>87</sup></p>
Purchasing Power Parities	<p>Purchasing Power Parities (hereby, PPP) are the rates of currency conversion that equalise the purchasing power of different countries by eliminating the differences in price levels between countries. In other words, PPPs show the ratio of prices in national currencies of the same good or service in different countries. PPP is measured by finding the values of a basket of consumer goods that are present in each country. So for instance, if a basket of goods costs \$50 in the US and \$100 in the UK, then the purchasing power parity rate is 1:2.</p> <p>Further note that this indicator is measured in terms of national currency per US dollar.</p> <p>PPP of developed countries such as Australia is 1.4, Austria is 0.8, Belgium is 0.8, Canada is 1.3, France is 0.8, Germany is 0.8, US is 1.0, UK is 0.7, Switzerland is 1.2 whereas when it comes to developing countries, PPP of India is 17.7, Indonesia is 4190.5, China is 3.5, Colombia is 1278.0, South Africa is 6.1, South Korea is 866.<sup>88</sup></p>
Literacy Rate	<p>Literacy Rate is the percentage of people in a certain sample of population or country that possess the ability to read and write. The figures are collected by Our World in Data (University of Oxford) and the UNSECO Institute for Statistics (UIS) on behalf of UNESCO.</p> <p>The adult literacy rate measures literacy among persons aged 15 years and older.</p> <p>The literacy rate in Afghanistan is 38%, Bangladesh is 61%, India is 72%, Egypt is 76%, Cambodia is 78%, Syria is 86%, Nepal is 65%, Iran is 87% and Niger is a mere 19%. However, literacy rate in Hungary is 99%, Mauritius is 91%, Italy is 99%, Cuba is 100%, Romania is 99%, Croatia is 99%, Greece is 97%, Malta is 93%, Singapore is 97% amongst others.</p>

<sup>87</sup> <https://www.transparency.org/cpi2018>

<sup>88</sup> Organization for Economic Cooperation and Development, Purchasing Power Parities 2017, <https://data.oecd.org/conversion/purchasing-power-parities-ppp.htm>

	<p>As the data indicates, all countries outside Africa (with the exception of Afghanistan) have literacy rates above 50%. Despite progress in the long run, large inequalities remain, most notably between sub-Saharan Africa and the rest of the world. In Burkina Faso, Niger, and South Sudan, literacy rates are still below 30%.</p> <p>Therefore, despite large improvements in the expansion of basic education combined with the continuous reduction of education inequalities, there lie substantial challenges ahead. The poorest countries in the world, often LDCs, where basic education is most likely to be a binding constraint for development still have very large segments of the population who are illiterate.</p> <p>Refer to Graphs 19, 20, 21, 42 &amp; 43.</p>
Access to clean water	<p>Safe, clean and readily available water is important for public health, whether used for drinking, domestic use or food production. Improved water supply along with sanitation can boost a country's economic growth and contribute to alleviation of poverty. The UN General Assembly explicitly recognized the human right to water and sanitation (see below on sanitation). As per WHO's website, "everyone has the right to sufficient, continuous, safe, acceptable, physically accessible, and affordable water for personal and domestic use."<sup>89</sup> Under the Millennium Development Goals, the target of reducing the proportion of the world's population without sustainable access to safe water remains crucial. Sustainable Development Goal target 6.1 calls for universal and equitable access to safe and affordable drinking water.</p> <p>In 1990, nearly 42% of those without access to water were in East Asia and the Pacific. However, by 2015, this had fallen to 20%. In contrast, Sub-Saharan Africa was host to 22% of those without water access in 1990; by 2015 this had increased to nearly half of the global total. In fact, the absolute number of people without access has fallen across all regions over this period with the exception of Sub-Saharan Africa. The number of people in Sub-Saharan Africa without access to an improved water source has increased from 271 million to 326 million in 2015.</p> <p>The number of people without access to an improved drinking water source<sup>90</sup> include 326 million in Sub-Saharan Africa, 133 million in East Asia &amp; Pacific, 133 million in South East Asia, 27.8 million in Middle East &amp; North Africa, 33.9 million in Latin America &amp; Caribbean, 13.7 million in Europe &amp; Central Asia and only 2.64 million in North America as per 2015 estimates.<sup>91</sup></p> <p>As global population grows and demand for fresh water increases, water scarcity</p>

<sup>89</sup> <https://www.who.int/news-room/fact-sheets/detail/drinking-water>

<sup>90</sup> An improved drinking water source includes piped water on premises and other improved drinking water sources such as public taps, tube wells, protected dug wells, and rainwater collection.

<sup>91</sup> Source: One World in Data, <https://ourworldindata.org/water-use-sanitation>

	<p>and water stress is a common concern. This is a greater problem for regions with large populations and/or lower water resources. Water stress does not indicate that a county has water shortages, but does give an indication of how close it maybe to exceeding a water basin's renewable resources.<sup>92</sup> So for instance, if water withdrawals exceed available resources then a country is either extracting beyond the rate at which aquifers can be replenished or has high levels of desalination water generation.</p> <p>The quantity of renewable freshwater resources, which means the quantity of internal freshwater from inflowing river basins is found most abundantly in regions such as North America where it is 12,724 km<sup>3</sup>, Eastern Europe where it is 4,448 km<sup>3</sup>, East Asia where it is 3,410 km<sup>3</sup>. In contrast, the numbers in South Asia, Middle East, Central America and Northern Africa are a mere 1,935 km<sup>3</sup>, 484 km<sup>3</sup>, 735 km<sup>3</sup>, and 47 km<sup>3</sup> respectively.<sup>93</sup></p> <p>Refer to Graphs 24, 25, 26, 27 &amp; 28</p>
Access to improved and safely managed sanitation services	<p>Universal access to adequate sanitation is a fundamental need and human right. Securing access to improved sanitation will help in reducing illness and death. Even though since 2000, 1.4 billion people have gained access to basic sanitation, it was reported in 2015 that 2.3 billion people still lack a basic sanitation service and among them 892 million people still practised open defecation. The data reveals pronounced disparities, with the poorest and those living in rural areas least likely to use a basic service.<sup>94</sup></p> <p>Statistics such as people using safely managed sanitation services help break down the problem. In Austria 97% people use safely managed sanitation services, Belgium is 97%, Canada is 77%, Denmark is 93%, France is 92%, Germany is 95%, Italy is 95%, Netherlands and Spain are 97% each, Sweden is 92%, UK is 98% and US is 89%. In contrast, the numbers in developing countries and LDCs don't look very promising – in Argentina only 26% people have access to safely managed sanitation services, China is 60%, Colombia is 20%, Iraq is 32%, Mexico is 45%, and Niger is only 9%.<sup>95</sup></p> <p>When it comes to India, despite the headway made in the last 15 years, there remain significant inequalities in access to quality sanitation services. India faces significant challenges in the provision of quality water and sanitation. Inequality in access is acute, with more than 90% of urban residents accessing sanitation facilities compared to only 39% in rural India. Additionally, 44% of the</p>

<sup>92</sup> Id.

<sup>93</sup> Id.

<sup>94</sup> Universal Access to Sanitation – UNICEF Data (July 2017)

<sup>95</sup> WHO/UNICEF Joint Monitoring Programme (JMP) for Water Supply, Sanitation and Hygiene (2015); <https://data.worldbank.org/indicator/SH.STA.SMSS.ZS>

	<p>population continues to defecate in the open.<sup>96</sup></p> <p>Furthermore, when it comes to the number of people without access to improved sanitation facilities by region, over 90% of such people in 2015 resided in Asia, the Pacific or Sub-Saharan Africa. The largest region share was from South Asia accounting for 40% and nearly one billion people without access. This was followed by Sub-Saharan Africa with nearly 30% (706 million), and East Asia &amp; Pacific with around 22% (520 million).</p> <p>In 2015, 963.24 million people in South Asia are living without access to improved sanitation facilities, 705.9 in Sub-Saharan Africa, 519.8 million in East Asia &amp; Pacific, 106.33 million in Latin America, 62.76 million in Europe &amp; Central Asia, 88.01 million in Middle East &amp; North Africa and only 71,710 people in North America.<sup>97</sup></p> <p>Refer to Graphs 29, 30, 31, 32, 33, 34, 35, 38, 39 &amp; 40.</p>
Fertility Rate and Birth Rate	<p>The total fertility rate in a given year is defined as the total number of children that would be born to each woman if she were to live to the end of her child-bearing years and give birth to children in alignment with the privilege age-specific fertility rates. In other words, it is the number of births per woman in a population. The global average fertility rate is just below 2.5 children per woman today. Over the last couple decades, the global fertility rate is halved. The huge majority of the world population, about 80%, now live in countries with a fertility rate below 3 children per woman. On the other end of the spectrum there are a few countries where women on average still have more than 5 children. The decline of the fertility rate is one of the most fundamental social changes that happened in human history. For instance, it took Iran only 10 years for fertility to fall from more than 6 children per woman to fewer than 3 children per woman. China made this transition in 11 years before the introduction of the one-child policy. Moreover, the speed with which countries make the transition to low fertility rates has also increased over time. This is a pattern often witnessed in development: those countries that first experience social change take much longer for transitions than those who catch up later: countries that were catching up increased life expectancy much faster, they witness reduced child mortality more quickly and are able to grow their incomes much more rapidly.</p> <p>In addition to the total fertility rate, a second commonly used measure is the birth rate. The birth rate is expressed as the annual number of births per 1,000 people in the population. The birth rate in 2015 in countries such as Argentina is 18.5, Sri Lanka is 18.4, China is 12.1, Australia is 13.4, Russia is 12.4 whereas in Italy it is 9.5, Austria is 9.13, Scotland is 9.05, Singapore is 7.93, Japan is 8.39, Spain is</p>

<sup>96</sup> <http://in.one.un.org/health-water-and-sanitation/>

<sup>97</sup> Our World in Data based on World Bank, World Development Indicators; <https://ourworldindata.org/water-use-sanitation>

	<p>10.78 and Netherlands is 11.19.<sup>98</sup></p> <p>It is often said that there is a close relationship between the income level (GDP per capita) and the total fertility rate. Many point to income as the likely determinant when it comes to fertility rate. Higher incomes are often associated with lower fertility. Richer countries tend to be healthier and better educated too, so the correlation between high incomes and low fertility seems to be a logical one.</p> <p>World Bank has also compiled data regarding fertility rate (births per woman) from as recent as 2017. Fertility rate in Afghanistan is 4.5, Argentina is 2.3, Bangladesh is 2.1, Benin is 4.9, Botswana is 2.7, Burundi is 5.6, Burkina Faso is 5.3, Cameroon is 4.6, Chad is 5.8, Congo is 4.6, Ghana is 3.9, Kenya is 3.8, Liberia is 4.5, Mali is 6.0, Mozambique is 5.2, Niger is as high as 7.2, Nigeria is 5.5, Uganda is 5.5. Compare that to developed and more prosperous countries such as Austria where the fertility rate is 1.5, Australia is 1.8, Belgium is 1.7, Croatia is 1.4, Denmark is 1.8, Estonia is 1.6, Finland is 1.6, France is 1.9, Germany is 1.6, Greece is 1.4, Iceland is 1.7, Hungary is 1.5, Japan is 1.4, Netherlands is 1.7, Norway is 1.7, UK is 1.8, and US is 1.8.<sup>99</sup></p> <p>Refer to Graph 41.</p>
Mortality Rate/Death Rate	<p>Mortality rate, or death rate, is a measure of the number of deaths in a particular population. It is usually calculated as the number of deaths per one thousand people per year.</p> <p>The death rate (per 1000 people) in Afghanistan is 7, in Albania it is 8, Argentina is 8, Armenia is 10, Belarus is 13, Benin is 9, Burundi is 11, Chad is 13, Central African Republic is 13, Moldova is 12, Nigeria is 12, Russia is 13, and in South Sudan it is 11. Compare that to countries such as Canada where the death rate is 8, China where it is 7, Denmark is 8, France is 9, Iceland is 7, Ireland is 6, Luxembourg is 7, Singapore is 5, in UK it is 8, and in US it is 8.2.<sup>100</sup></p>
Unemployment Rate	<p>Unemployment rate is the number of unemployed people as a percentage of the labour force. Workers are considered unemployed if they currently do not work, despite the fact that they are able and willing to do so. It is a lagging indicator, meaning that it generally falls or rises in the wake of changing economic</p>

<sup>98</sup> International Historical Statistics (Births per 1,000); <https://ourworldindata.org/fertility-rate>

<sup>99</sup> (1) United Nations Population Division, World Population Prospects: 2017, (2) Census reports and other statistical publications from national statistical offices, (3) Eurostat: Demographic Statistics, (4) United Nations Statistical Division, (5) U.S. Census Bureau: International Database, and (6) Secretariat of the Pacific Community: Statistics and Demography Programme. See <https://data.worldbank.org/indicator/sp.dyn.tfrt.in>

<sup>100</sup> (1) United Nations Population Division, World Population Prospects: 2017, (2) Census reports and other statistical publications from national statistical offices, (3) Eurostat: Demographic Statistics, (4) United Nations Statistical Division, (5) U.S. Census Bureau: International Database, and (6) Secretariat of the Pacific Community: Statistics and Demography Programme. <https://data.worldbank.org/indicator/sp.dyn.cdrt.in>



	<p>conditions.</p> <p>As per the 2018 figures provided by World Bank, sourced from the International Labour Organization, the total unemployment rate in developed countries remains rather low. In Albania it is 13.9%, Algeria is 12.1%, Armenia is 17.7%, Brazil is 12.5%, Botswana is 17.9%, Congo is 10.4%, Djibouti is 11.1%, Egypt is 11.4%, Eswatini (or Swaziland) is 22.5%, Gabon is 19.5%, Georgia is 14.1%, Haiti is 13.5%, Jordan is 15%, Kenya is 9.3%, Libya is 17.3%, Somalia is 14%, Yemen is 12.9%, and in South Africa it is 27%. Compare that to economically prosperous and developed countries where the unemployment rates are quite low. In Austria it is 4.8%, Canada is 5.9%, Denmark is 5%, Germany is 3.4%, Japan is 2.4%, Luxembourg is 5.5%, New Zealand is 4.5%, UK is 3.9%, and US is 3.7%.<sup>101</sup></p>
Global Multidimensional Poverty Index	<p>The Global Multidimensional Poverty Index (MPI) was developed in 2010 by the Oxford Poverty &amp; Human Development Initiative and the United Nations Development Programme. The MPI looks beyond income to understand how people experience poverty in multiple ways. It also identifies how people are being left behind across three key dimensions: health, education, and standard of living. The Index is an international measure of acute poverty covering over 100 developing countries. The MPI relies on two main databases that are publicly available and comparable for developing countries: the ICF Macro Demographic and Health Survey (DHS) and the UNICEF's Multiple Indicators Cluster Survey (MICS).</p> <p>Indicators such as “population in severe multidimensional poverty” and “population living below income poverty line” is higher in developing countries and LDCs as opposed to developed countries. Percentage of population living in severe multidimensional poverty (i.e. those with a deprivation score of 50 percent or more) in Afghanistan is 25.13%, Bangladesh is 16.21%, Bhutan is 14.68%, Cambodia is 12.03%, Congo is 15.49%, in Gambia it is 32.04%, in Ethiopia it is 61.84%, in Guinea it is 38.12%. Furthermore, in Haiti it is 22.52%, in Liberia it is 33.15%, in Madagascar it is 57.25%, in Mozambique it is 49.24%, in Niger it is 74.88%, in Somalia it is 67.47%, and in South Sudan it is a shockingly high 74.47%.<sup>102</sup></p> <p>When it comes to percentage of population living below income poverty line (i.e. percentage of the population living below the poverty line, which is the poverty line deemed appropriate for a country by its authorities. National estimates are based on population-weighted subgroup estimates from household surveys), the numbers are alarmingly high indicating how developmental goals haven't been met in many countries. So for instance, in Afghanistan it is 35.8%, in Angola it is 36.6%, in Armenia it is 29.4%, in Benin it is 40%, in Burundi it is 64.9%, in Central</p>

<sup>101</sup> <https://data.worldbank.org/indicator/sl.uem.totl.zs>

<sup>102</sup> <http://hdr.undp.org/en/2018-MPI>

	<p>African Republic it is 62%, in Congo it is 63.9%, in Gambia it is 48.4%, in Guinea-Bissau it is 69.3%, in Honduras it is 60.9%, in Madagascar it is 70.7%, in Sierra Leone it is 52.9%, in Zambia it is 54.4% and in Zimbabwe it is 72.3%.<sup>103</sup></p> <p>Refer to Graph 18 &amp; 44.</p>
Gender Inequality Index	<p>The Gender Inequality Index is an index for measurement of gender disparity that was introduced by the United Nations Development Program (UNDP). It is essentially an inequality index; gender inequality remains a barrier to human development. The Index measures gender inequalities in three aspects of human development, namely, reproductive health, measured by maternal mortality ratio and adolescent birth rates; empowerment, measured by proportion of parliamentary seats occupied by females and proportion of adult females and males aged 25 years and older; and economic status, expressed as labour market participation and measured by labour force participation rate of female and male populations aged 15 years and older.</p> <p>Source: <a href="http://hdr.undp.org/en/content/gender-inequality-index-gii">http://hdr.undp.org/en/content/gender-inequality-index-gii</a></p> <p>As per the 2017 report, countries such as Norway, Australia, Germany, Iceland, Ireland, Netherlands, Singapore, Switzerland, figure in the top 10. But when it comes to developing countries and LDC's, they are often ranked very low and face crucial challenges related to gender inequality. Afghanistan ranks 168, Bangladesh is 136, Bhutan is 134, Benin is 163, Burkina Faso is 183, Cambodia is 146, Chad is 188, Egypt is 115, Ghana is 140, India is 130, Indonesia is 116, Iraq is 120, Myanmar is 148, Rwanda is 158, Sierra Leone is 184, Vietnam is 116 and Yemen in 178. But countries such as the ones mentioned above along with US which is ranked 13 and UK which is 14 seem to be doing rather well to bridge the gender gap.<sup>104</sup></p> <p>Refer to Graph 45.</p>
Happiness Index	<p>The World Happiness Report is a landmark survey of the state of global happiness that ranks 156 countries by how happy their citizens perceive themselves to be. The report is produced by the United Nations Sustainable Development Solutions Network in partnership with another organisation.</p> <p>As per the 2019 report, countries such as Finland, Denmark, Norway, Iceland, Netherlands, Switzerland, Sweden, New Zealand, Canada, and Austria rank in top 10. In contrast, countries such as South Korea rank 54, Turkey ranks 79, Indonesia is at 92, Ghana is at 98, Nepal is at 100, South Africa ranks 106, Cambodia is at 109, Niger is at 114, Iran is at 117, Sri Lanka is at 130, Bangladesh</p>

<sup>103</sup> Id.

<sup>104</sup> Human Development Reports, Human Development Data (1990-2017), Gender Inequality Index, UNDP. <http://hdr.undp.org/en/data>



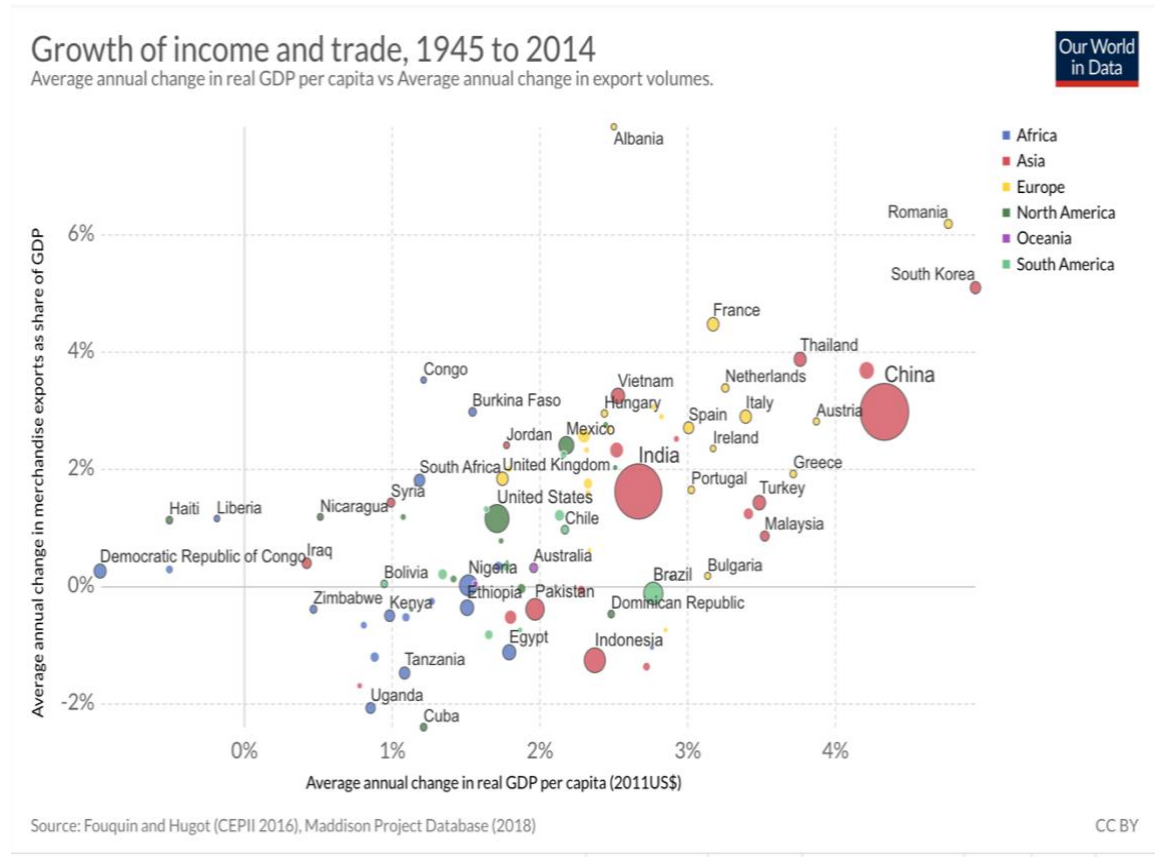
	is at 125, Kenya at 121 and India is at 140. <sup>105</sup>
Global Peace Index	<p>The Global Peace Index ranks 163 independent states and territories according to their level of peacefulness. The annual report is produced by the Institute for Economics and Peace (IEP) and measures the state of peace using three thematic domains: the level of Societal Safety and Security; the extent of Ongoing Domestic and International Conflict; and the degree of Militarisation.<sup>106</sup></p> <p>Iceland remains the most peaceful country in the world (a position it has held since 2008) followed by New Zealand, Austria, Portugal and Denmark; whereas Europe is the world's most peaceful region. Developed countries such as Canada rank 6, Japan stands at 9, Ireland at 10 and Switzerland at 12. Australia is 13, Sweden is 14, Germany is 17, Spain is 30, Italy is 38, Poland and Estonia stand at 32 and 33 respectively. However, countries such as Cambodia are ranked 96, Brazil is 106, China is 112, South Africa is 125, India is 136, Turkey is 149, Pakistan is 151, Philippines is 137, and Bangladesh is 93.</p> <p>Syria remains the least peaceful country in the world, a position it has held for the past five years. Moreover, Afghanistan, South Sudan, Iraq and Somalia comprise the remaining least peaceful countries.</p> <p>Refer to Graphs 22 &amp; 23.</p>

<sup>105</sup> <https://s3.amazonaws.com/happiness-report/2019/WHR19.pdf>

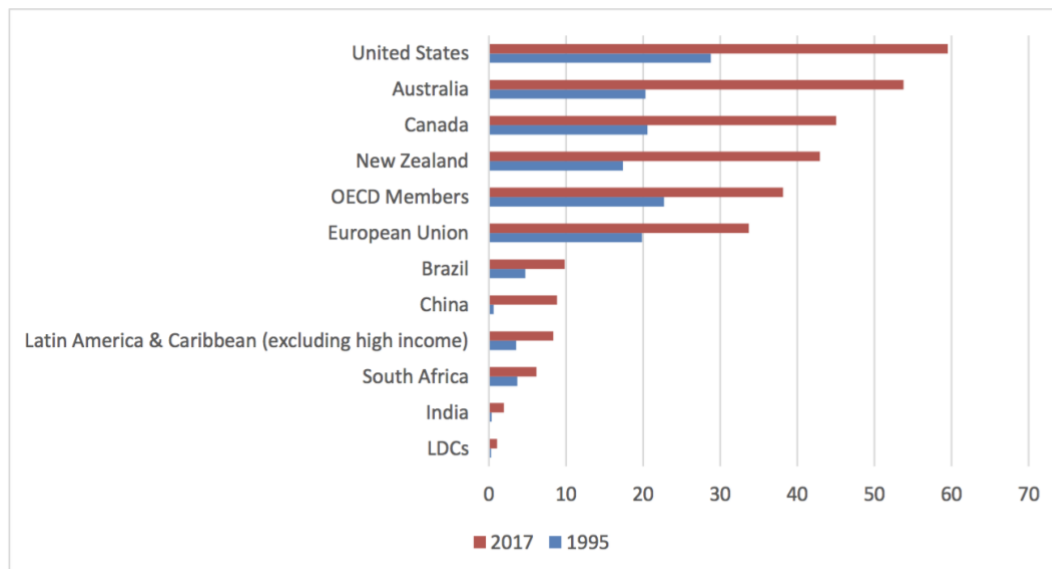
<sup>106</sup> <http://visionofhumanity.org/indexes/global-peace-index/>

## ANNEXURE 2

**Graph 1: Growth of income and trade from 1945 to 2014**



**Graph 2: GDP Per Capita (Current US \$, Thousand), Selected WTO Members and Groups, 1995-2017**



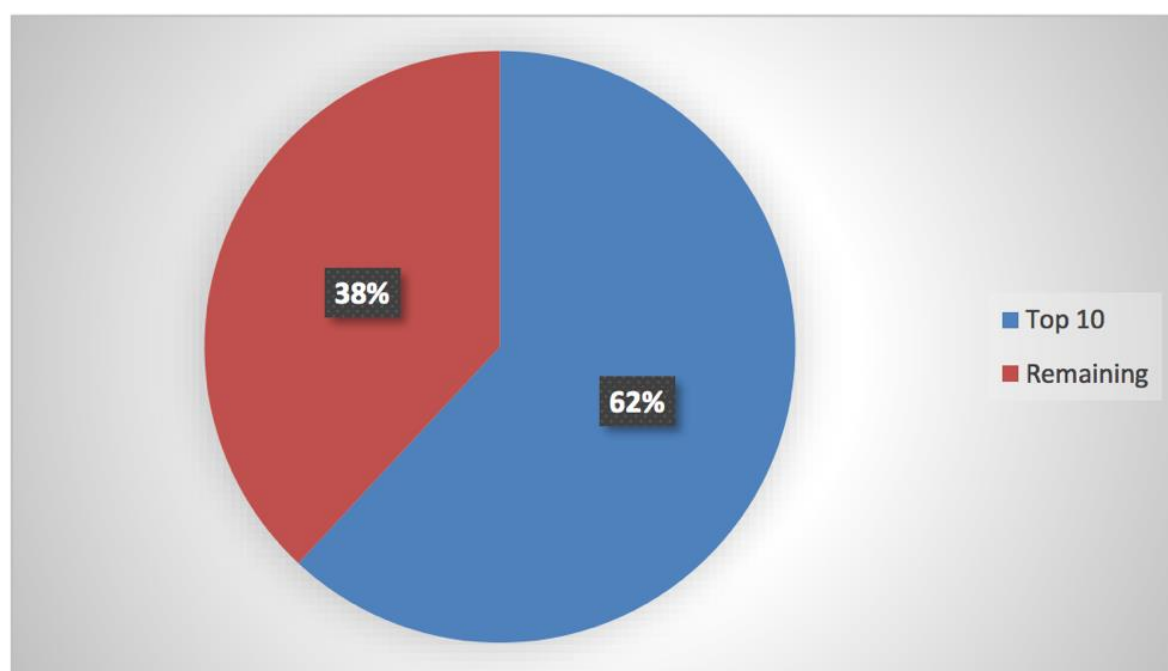
Source: World Bank WDI.

**Graph 3: Top 10 countries with the Largest Proportion of the World's (MPI) Poor, 2017-2018**

No.	Countries	Number of MPI poor people (thousands)	Share of population that is MPI poor
1	India	515,044	35.6%
2	Nigeria	91,497	6.3%
3	Ethiopia	85,213	5.9%
4	Pakistan	78,592	5.4%
5	Bangladesh	65,783	4.5%
6	China	56,101	3.9%
7	Congo, DR	53,551	3.7%
8	Indonesia	38,493	2.7%
9	Tanzania	30,507	2.1%
10	Uganda	24,537	1.7%

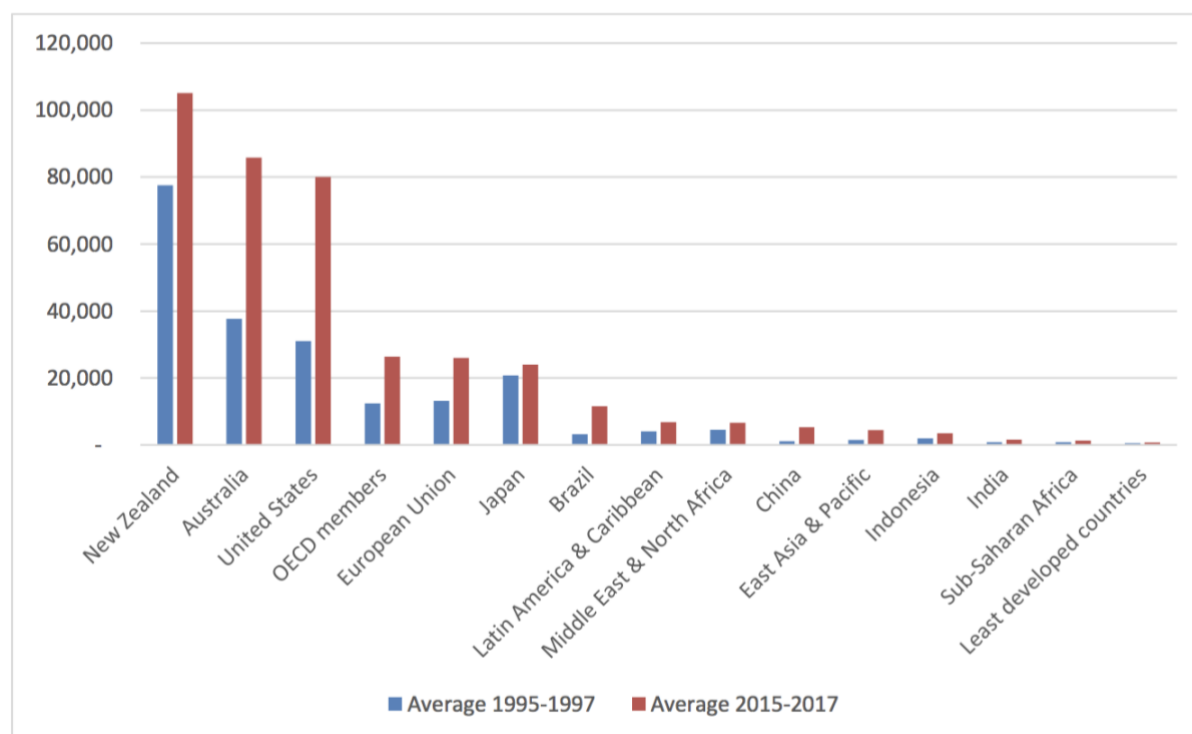
Source: Oxford Poverty and Human Development Initiative Global Multidimensional Poverty Index (2017-2018), University of Oxford, see: <http://ophi.org.uk/multidimensional-poverty-index/global-mpi-2017/>, accessed on 25 January 2019.

**Graph 4: Distribution of Under-nourished Population, Average 2015-17**



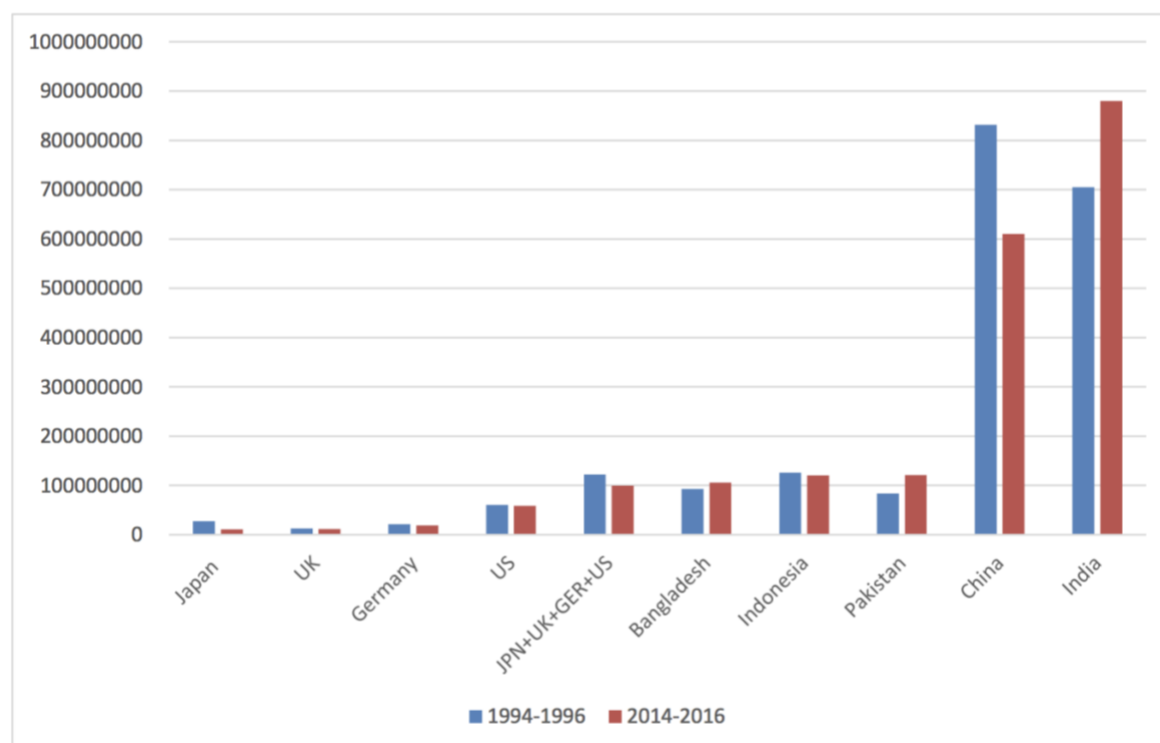
Source: UN Food and Agriculture Organization.

**Graph 5: Agriculture, Forestry and Fishing, Value-Added Per Worker (Constant 2010 US\$), Selected WTO Members and Groups, 1995-1997 vs 2015-2017**



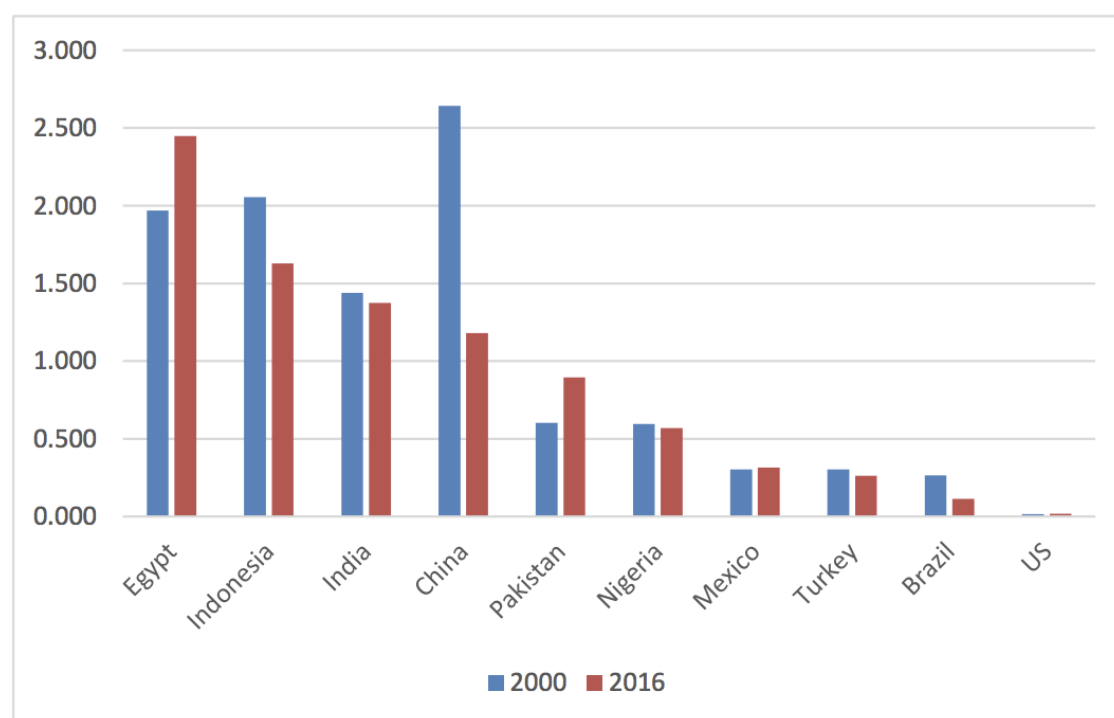
Source: World Bank WDI.

**Graph 6: Rural Population, Selected WTO Members, Average 1994-1996 vs 2014-2016**



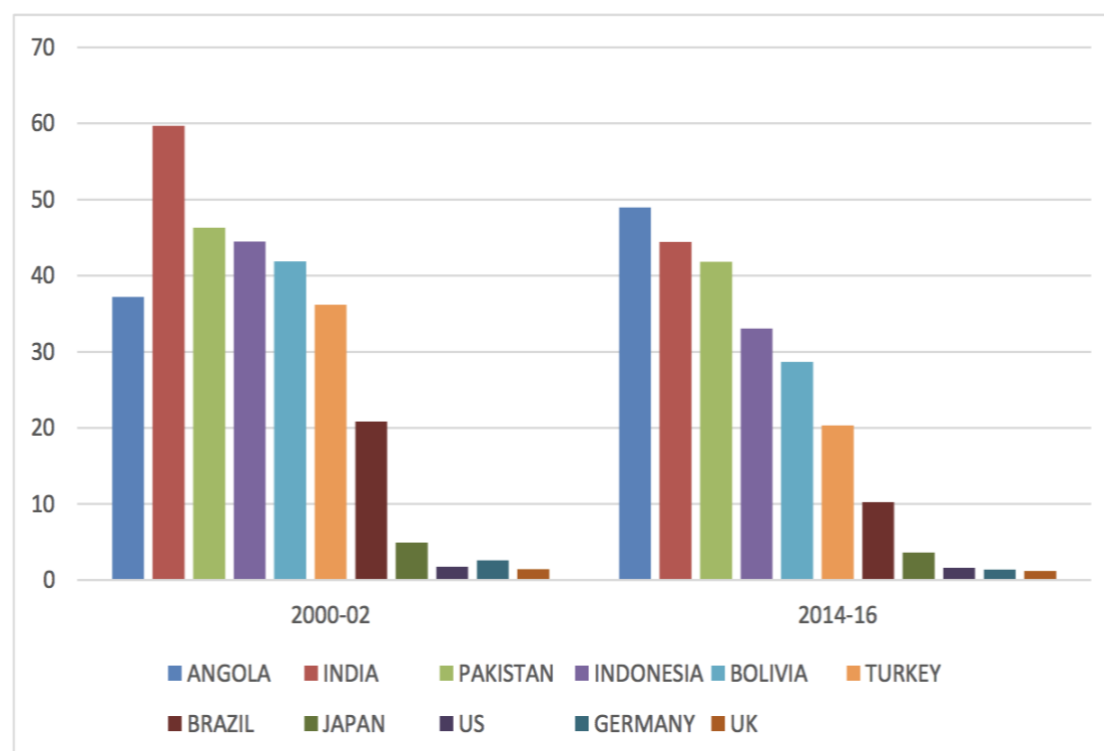
Source: Calculations based on World Bank WDI.

**Graph 7: Farmers per Hectare, Selected WTO Members, 2000-2016**



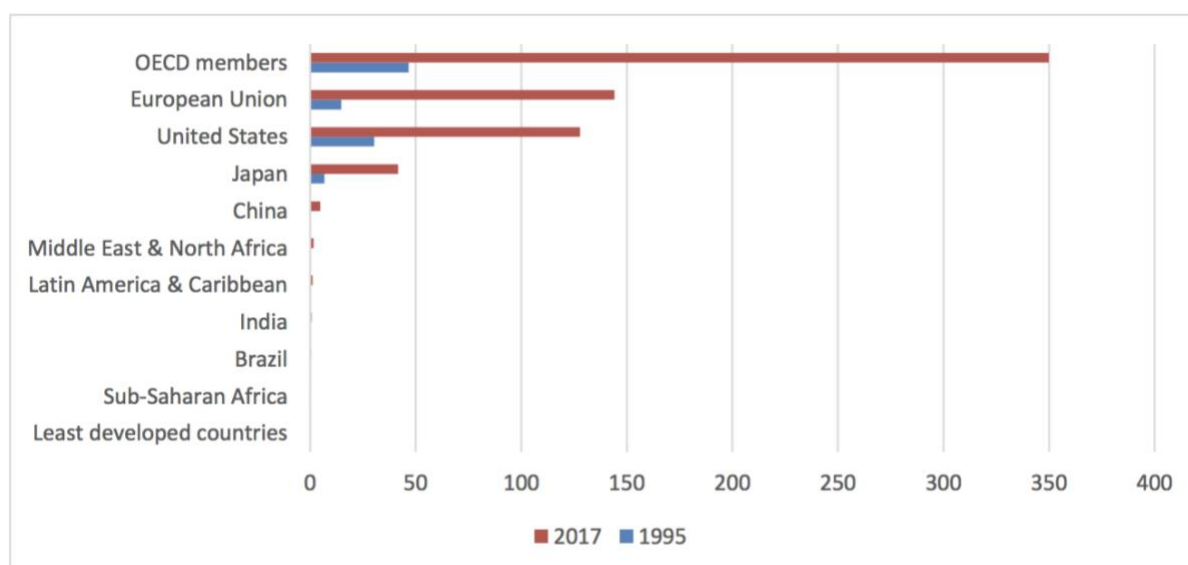
Source: Calculation based on World Bank WDI and ILOSTAT.

**Graph 8: Share of Agriculture in Total Employment, Selected WTO Members, 2000-2002 vs 2014-2016**



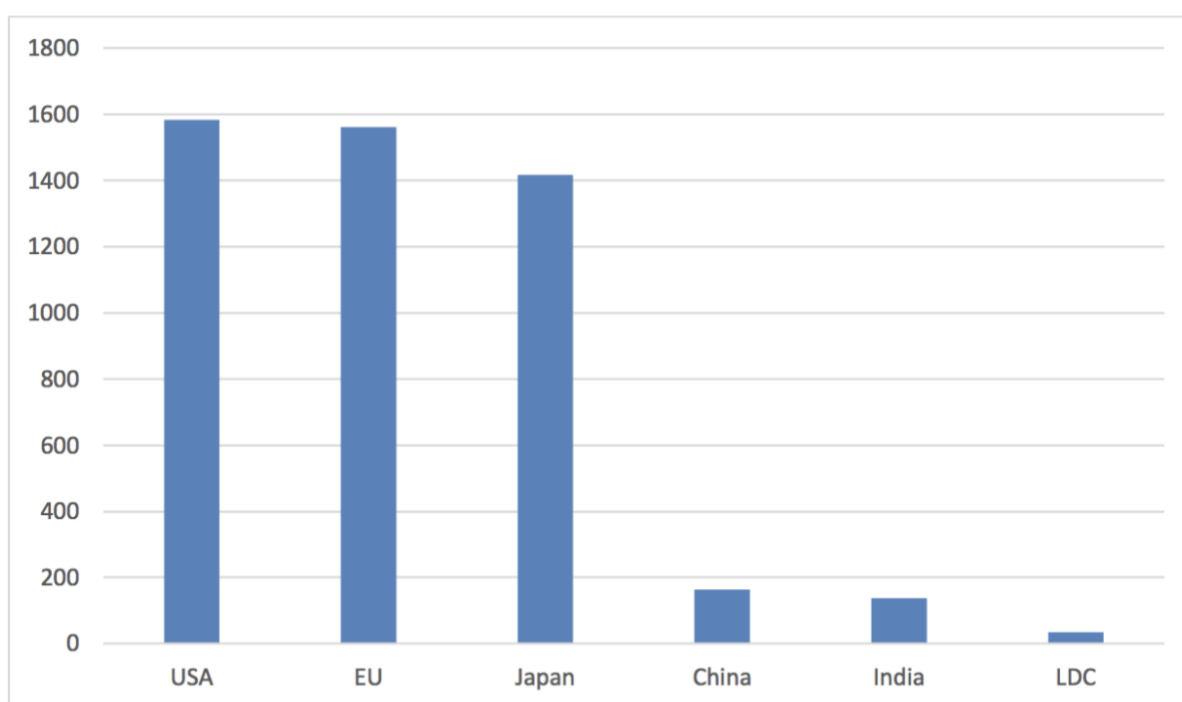
Source: World Bank.

**Graph 9: Intellectual Property Rights Receipts, (US \$ Billion)**



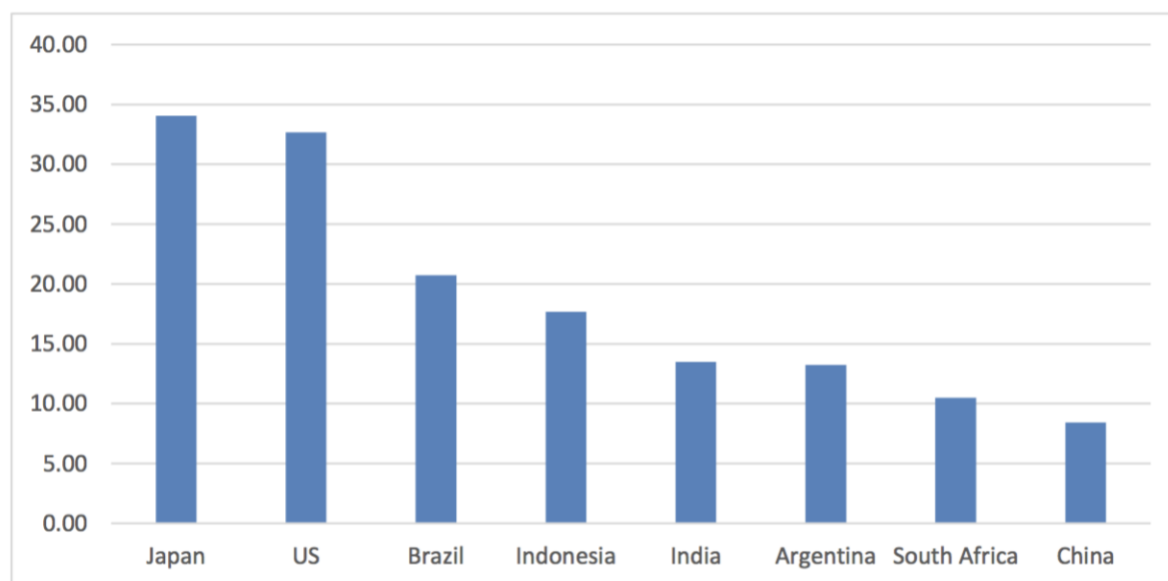
Source: World Bank WDI.

**Graph 10: Services Export Per Capita (US \$), Selected WTO Members, 2017**



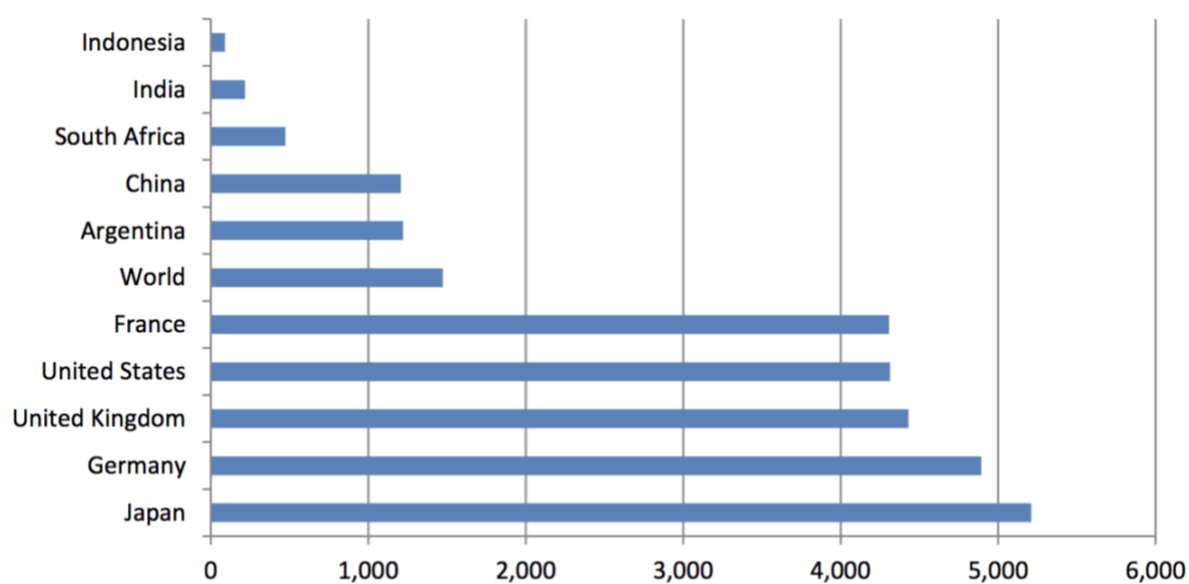
Source: World Trade Organization.

**Graph 11: Commercial Bank Branches Per 100,000 Persons, Selected WTO Members, Average 2014-2016**



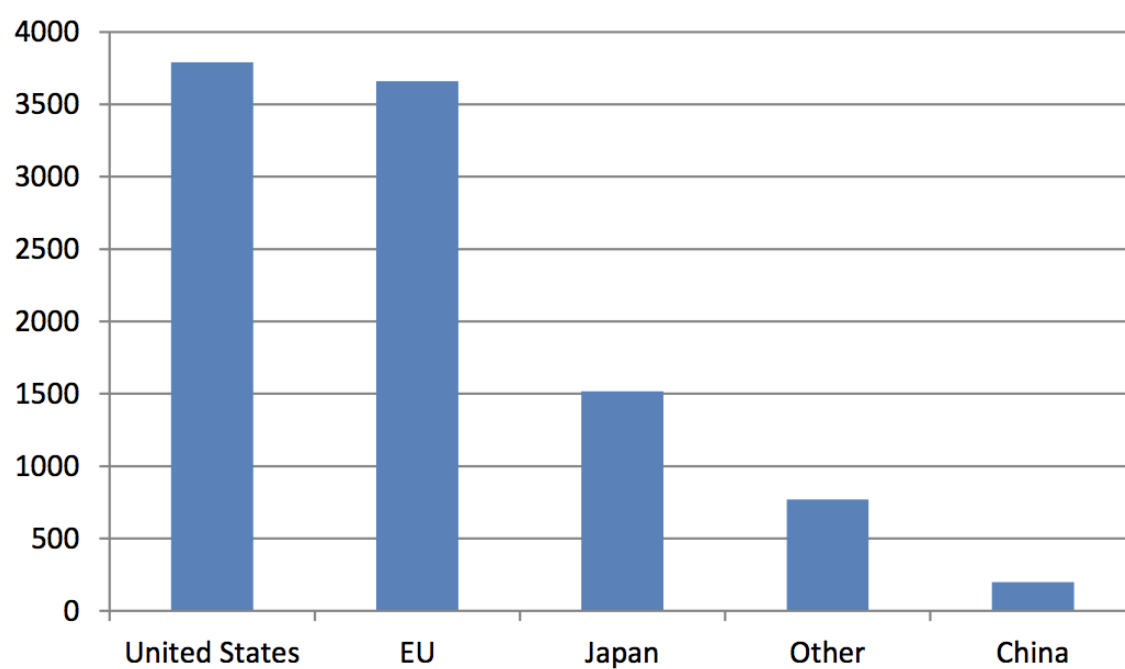
Source: World Bank.

**Graph 12: Full-time Researchers Equivalent Per Million People, 2005-2016**

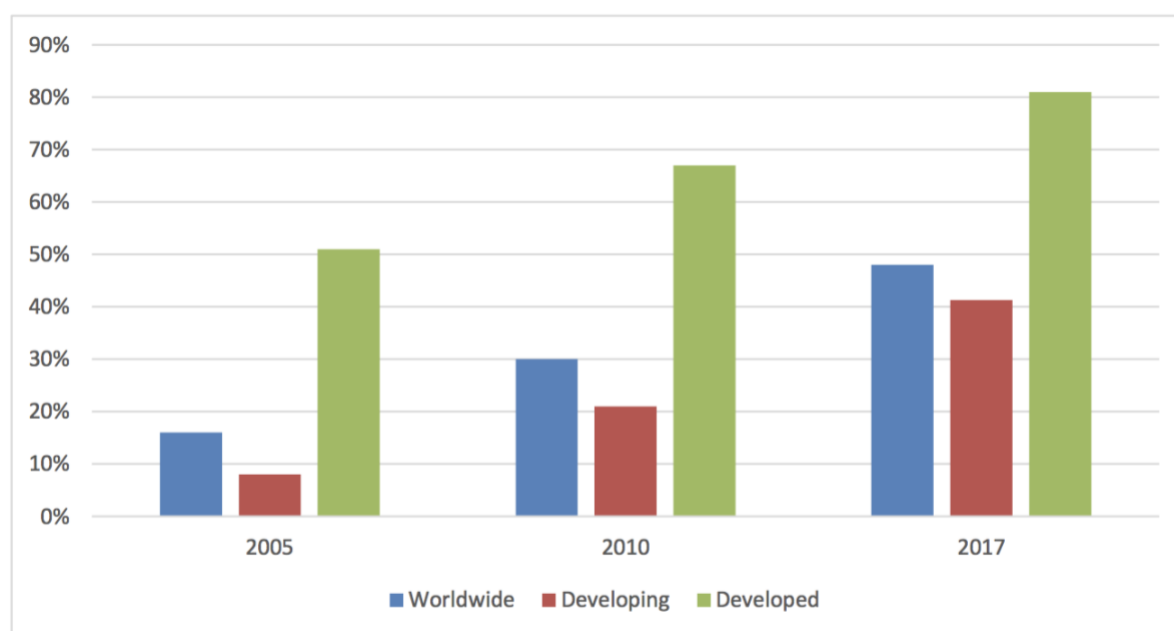


Source: World Bank.

**Graph 13: Standard Essential Patents (SEPs) Numbers, Selected WTO Members**



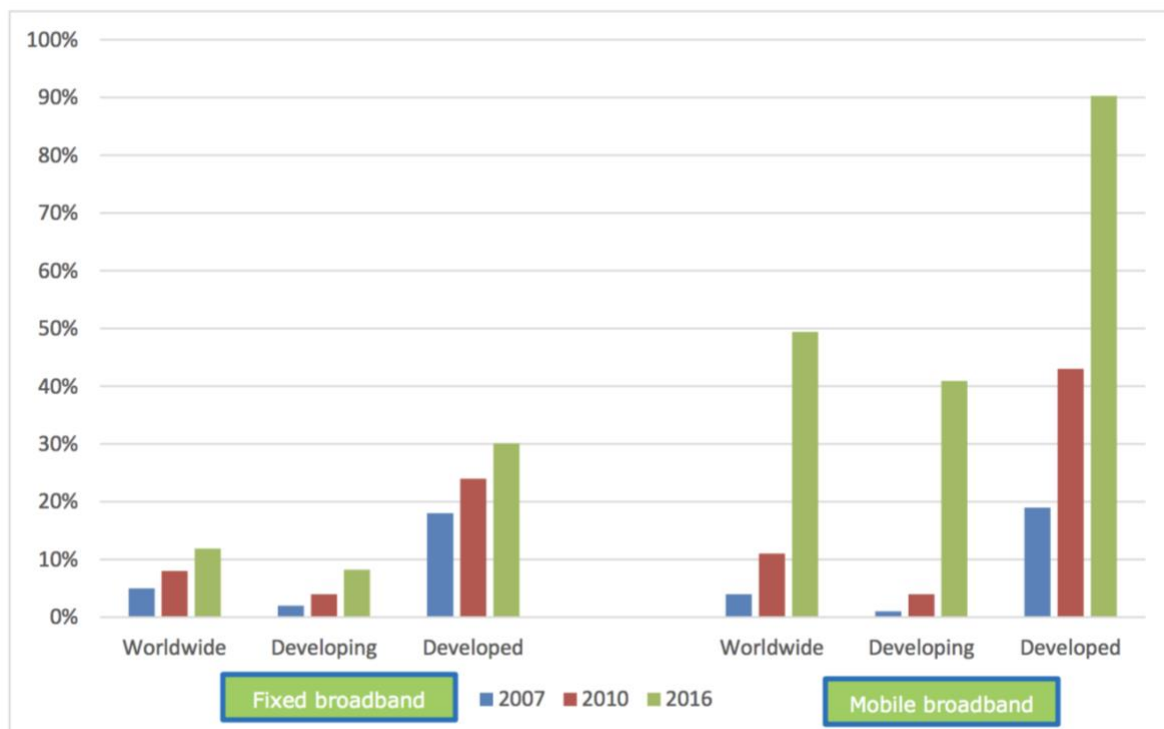
**Graph 14: Worldwide Internet users**



Source: International Telecommunication Union.

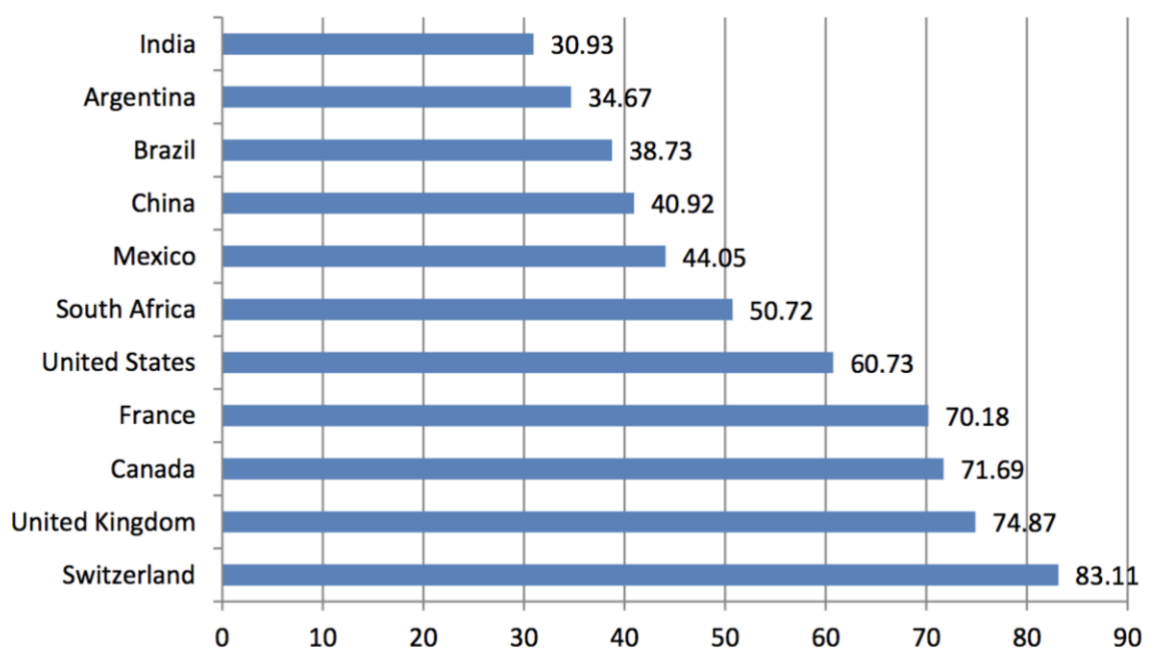


**Graph 15: Worldwide Broadband Subscriptions**



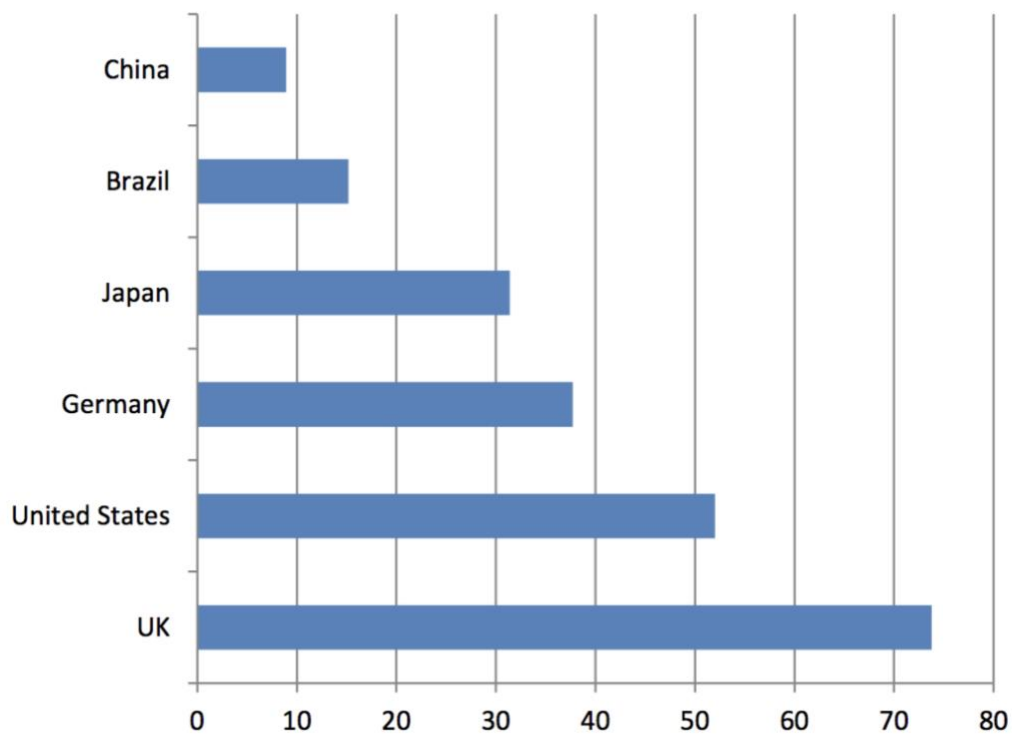
Source: International Telecommunication Union.

**Graph 16: Globalization Index for 2016**



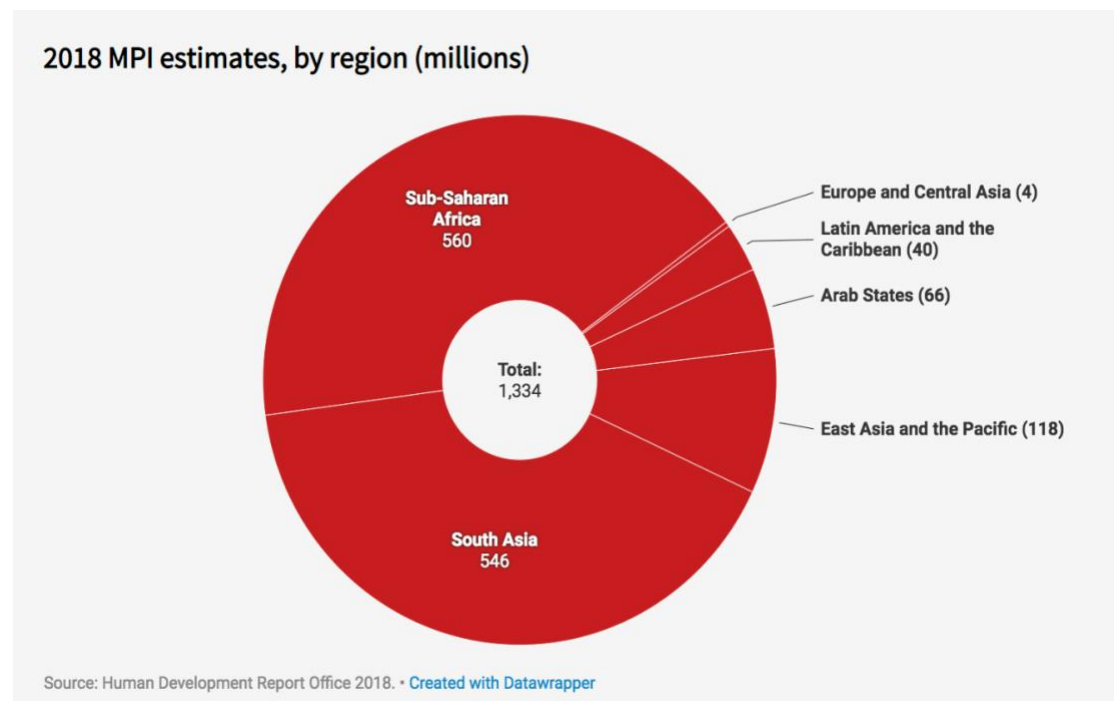
Source: Bertelsmann Stiftung. 2018 Globalization Report - Who Benefits Most from Globalization? p.9.

**Graph 17: Average Profit of Manufacturing Companies of Fortune Global 500, Selected WTO Members (100 million\$), 2017**

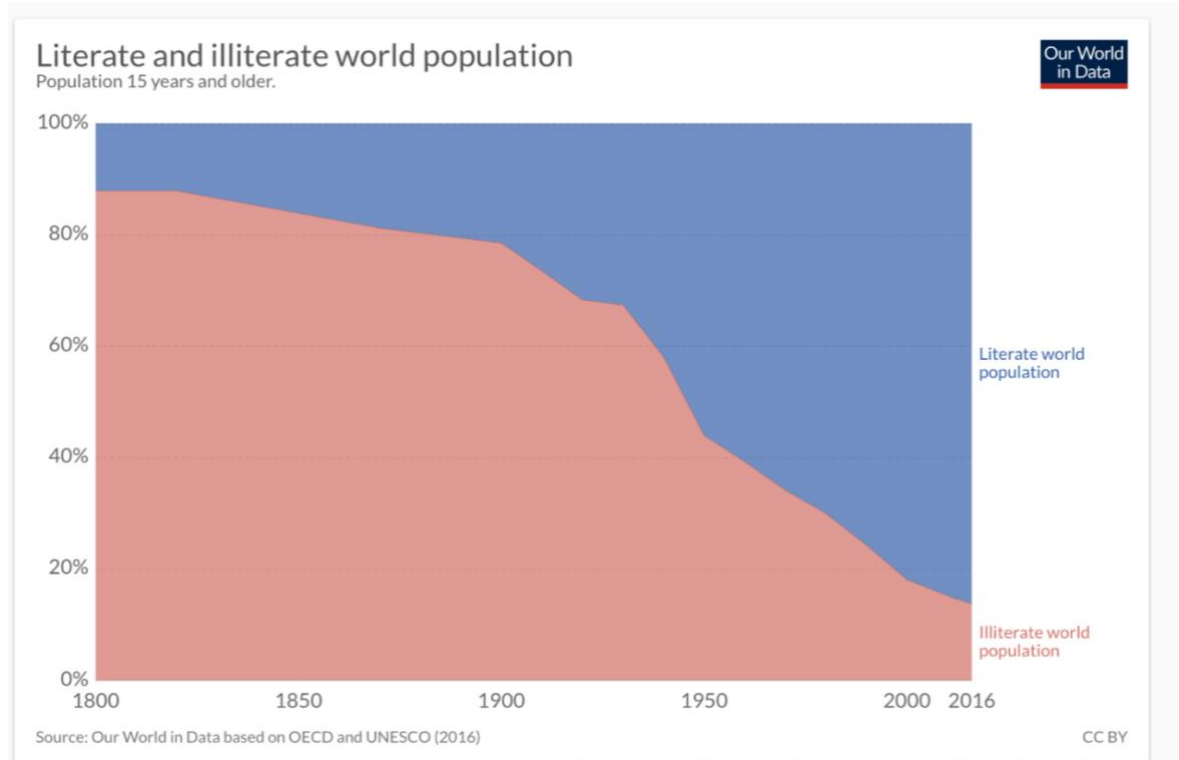


Source: Fortune Global 500, <http://fortune.com/global500/>. accessed on 25 January 2019.

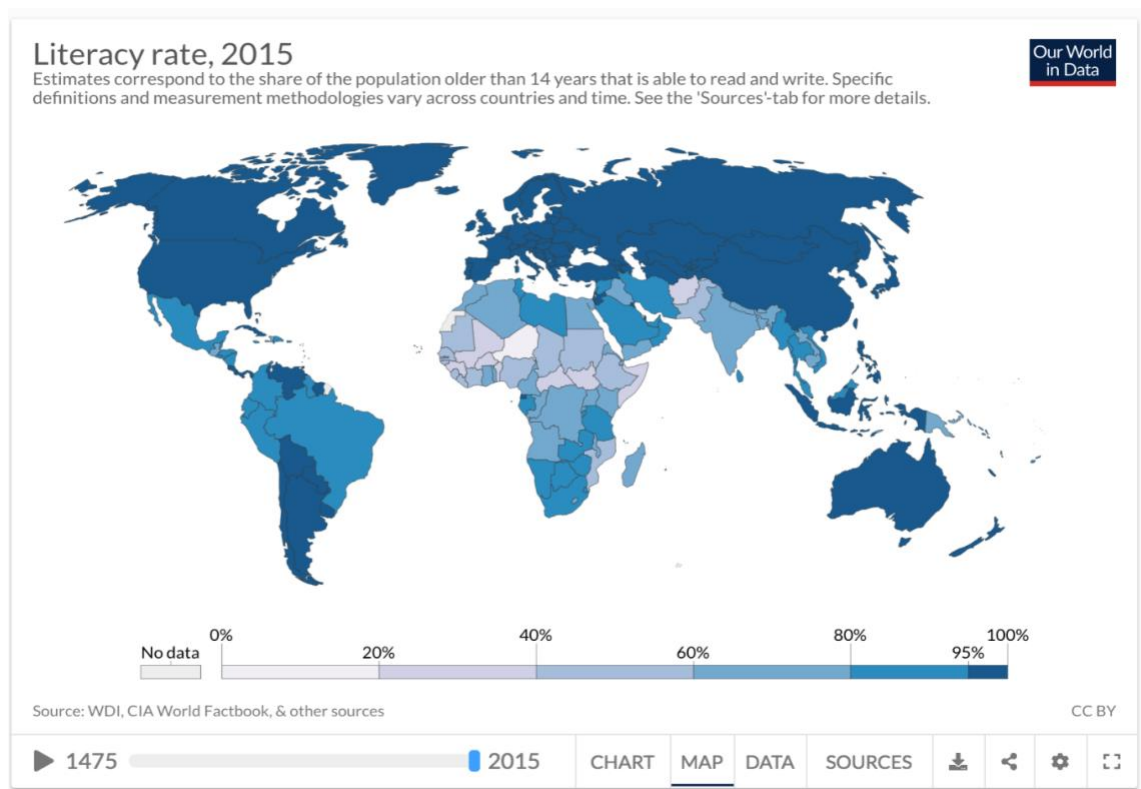
**Graph 18: 2018 MPI estimates by region**



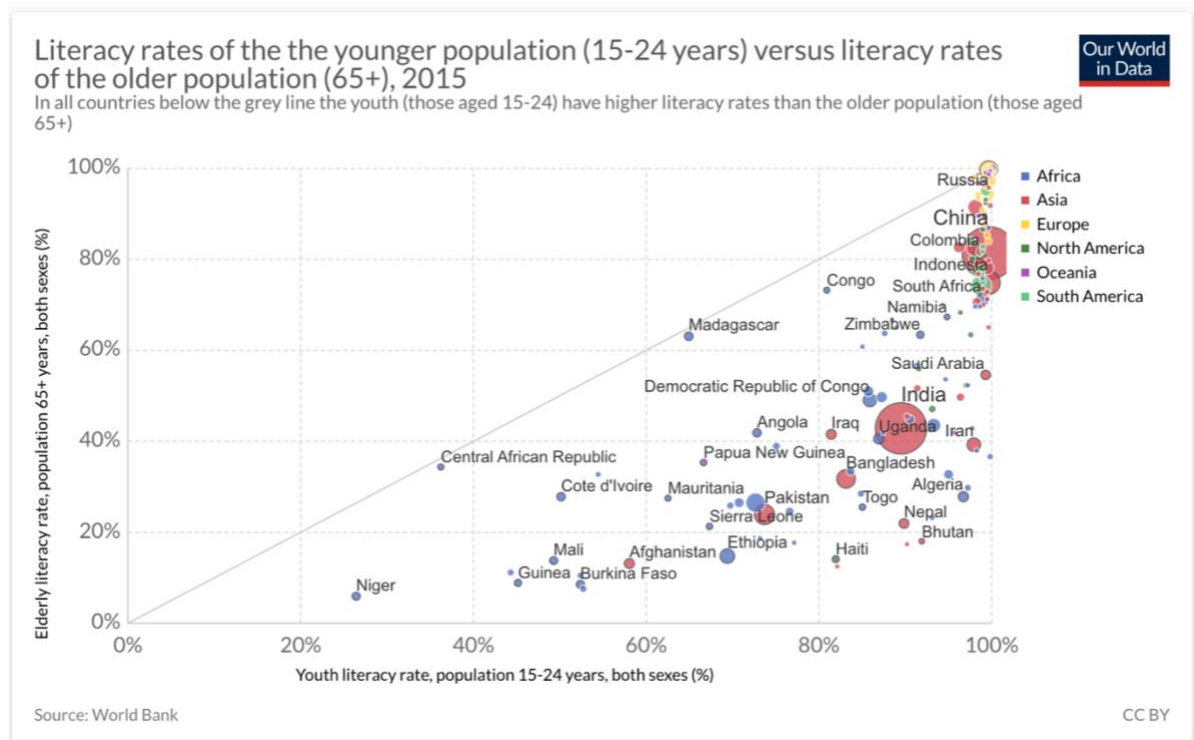
**Graph 19: Literate and illiterate world population**



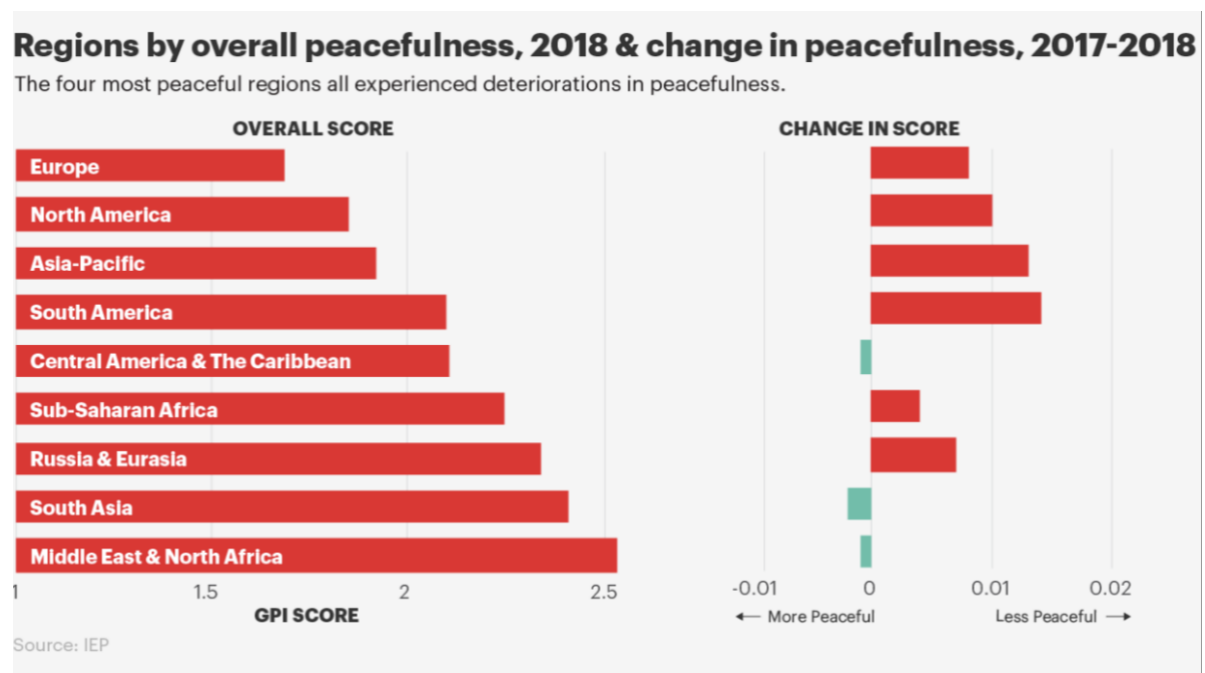
**Graph 20: Literacy Rate, 2015**



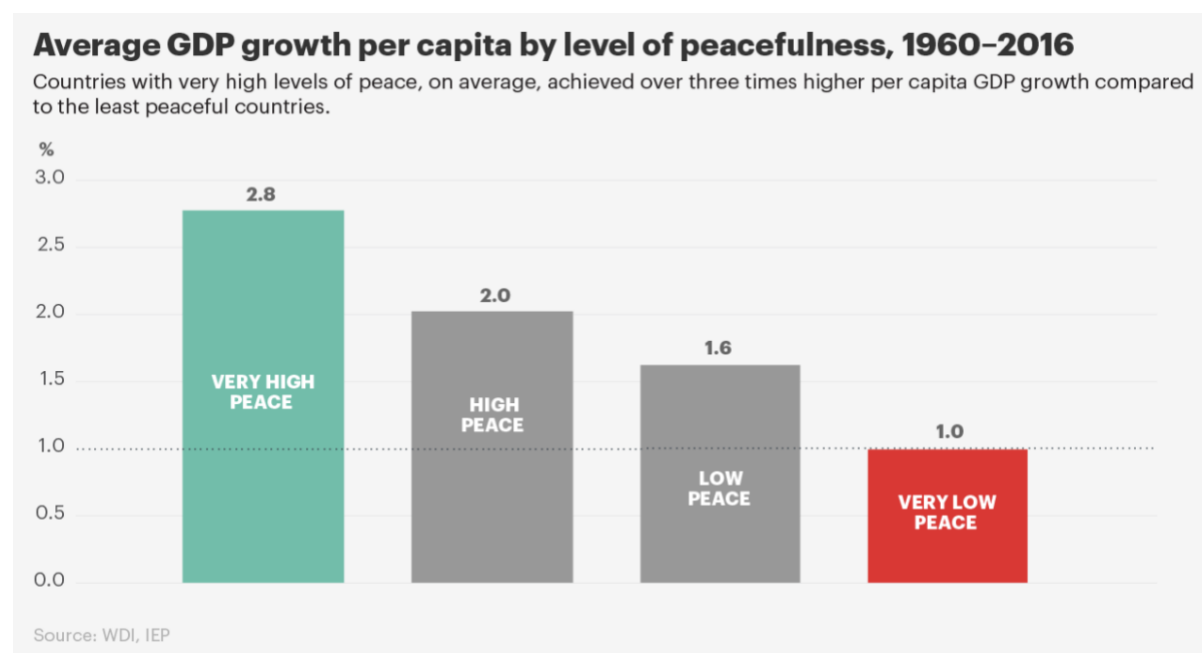
**Graph 21: Literacy rates of the younger population (15-24 years) versus literacy rates of the older population (65+), 2015**



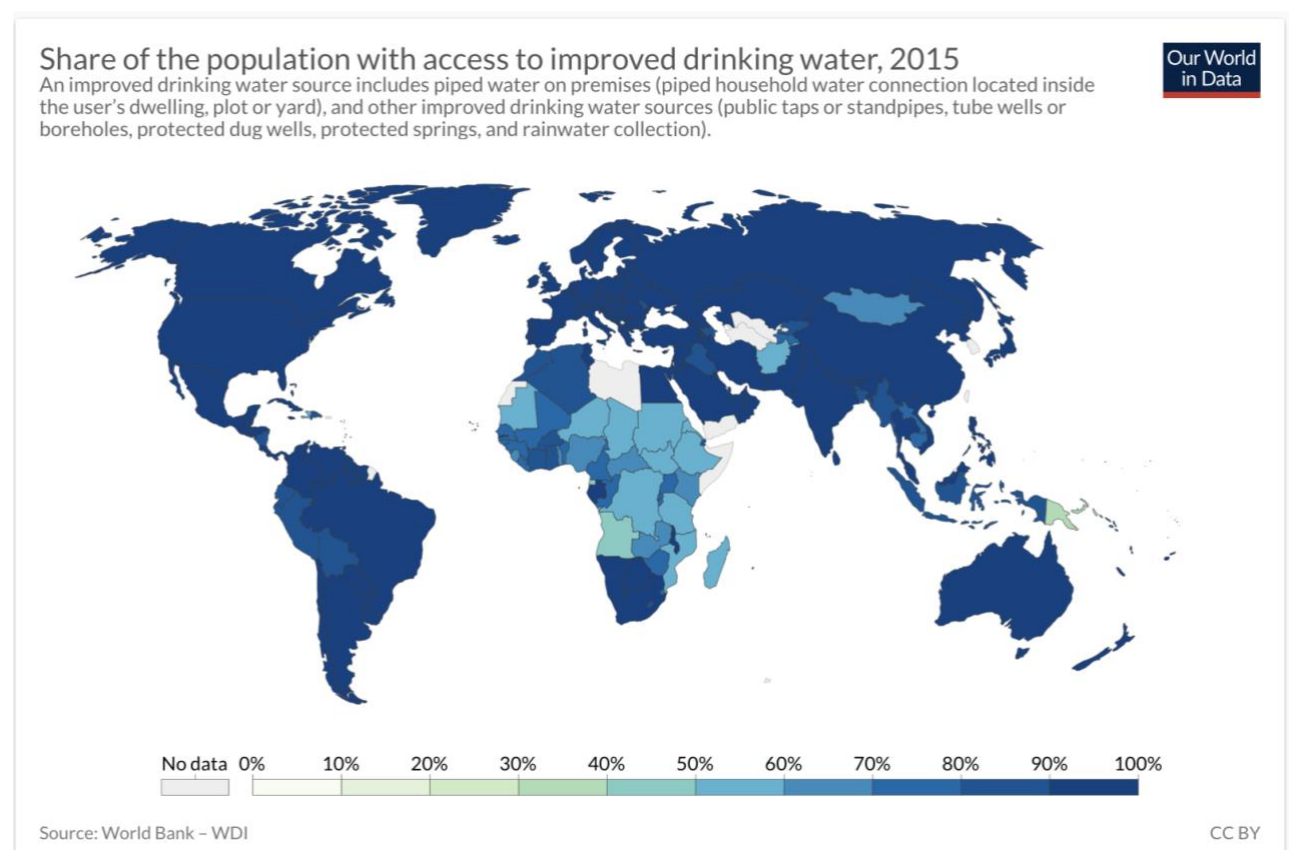
**Graph 22: Regions by overall peacefulness, 2018 and change in peacefulness, 2017-2018**



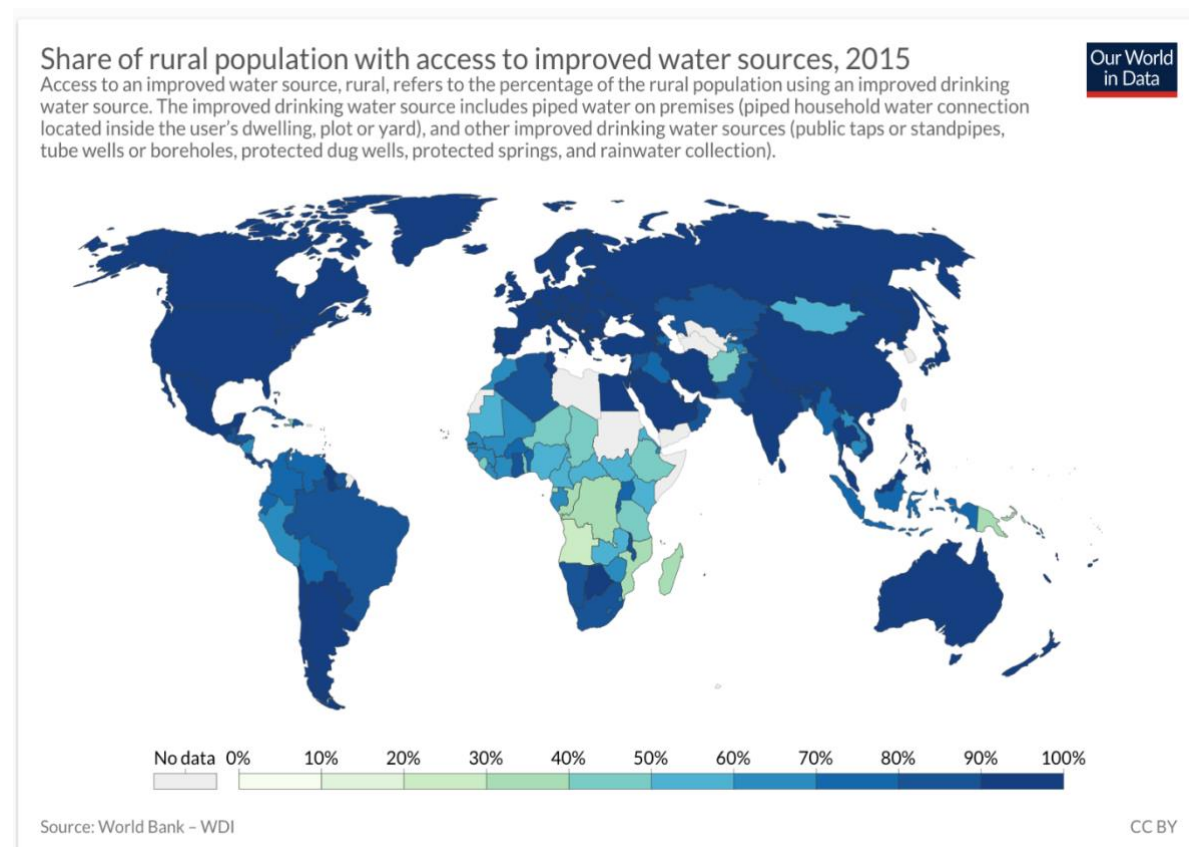
**Graph 23: Average GDP growth per capita by level of peacefulness, 1960-2016**



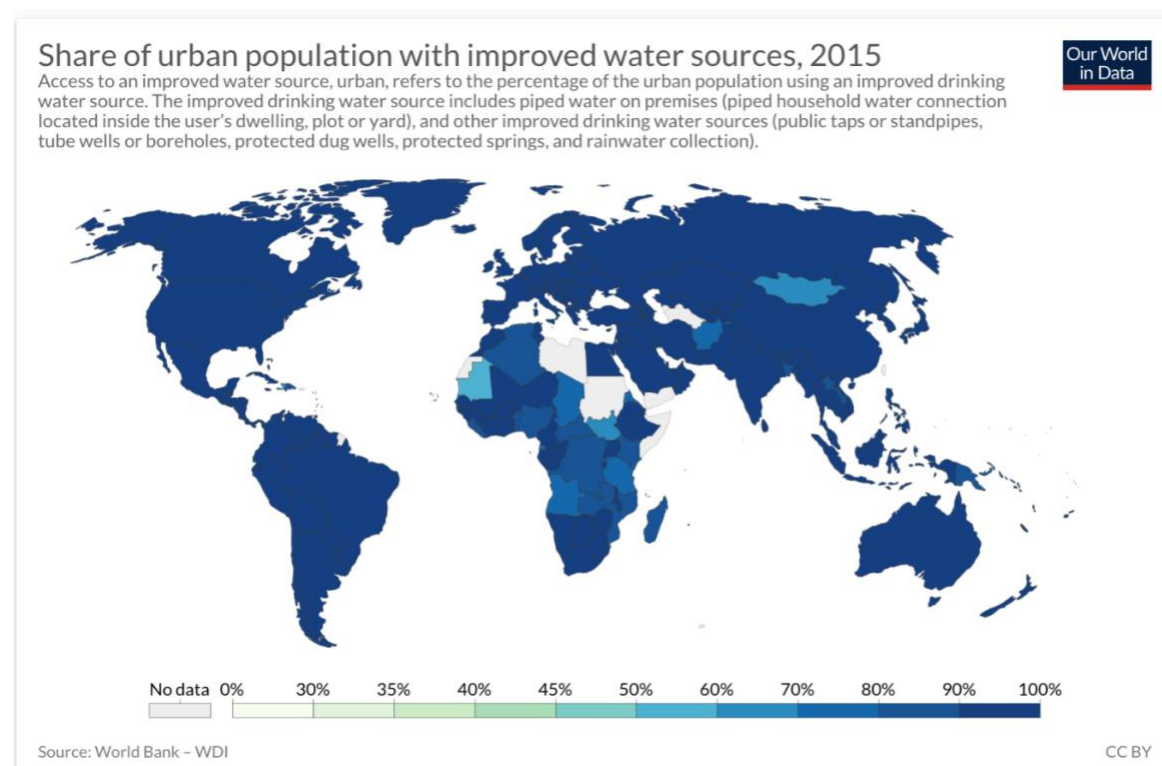
**Graph 24: Share of the population with access to improved drinking water, 2015**



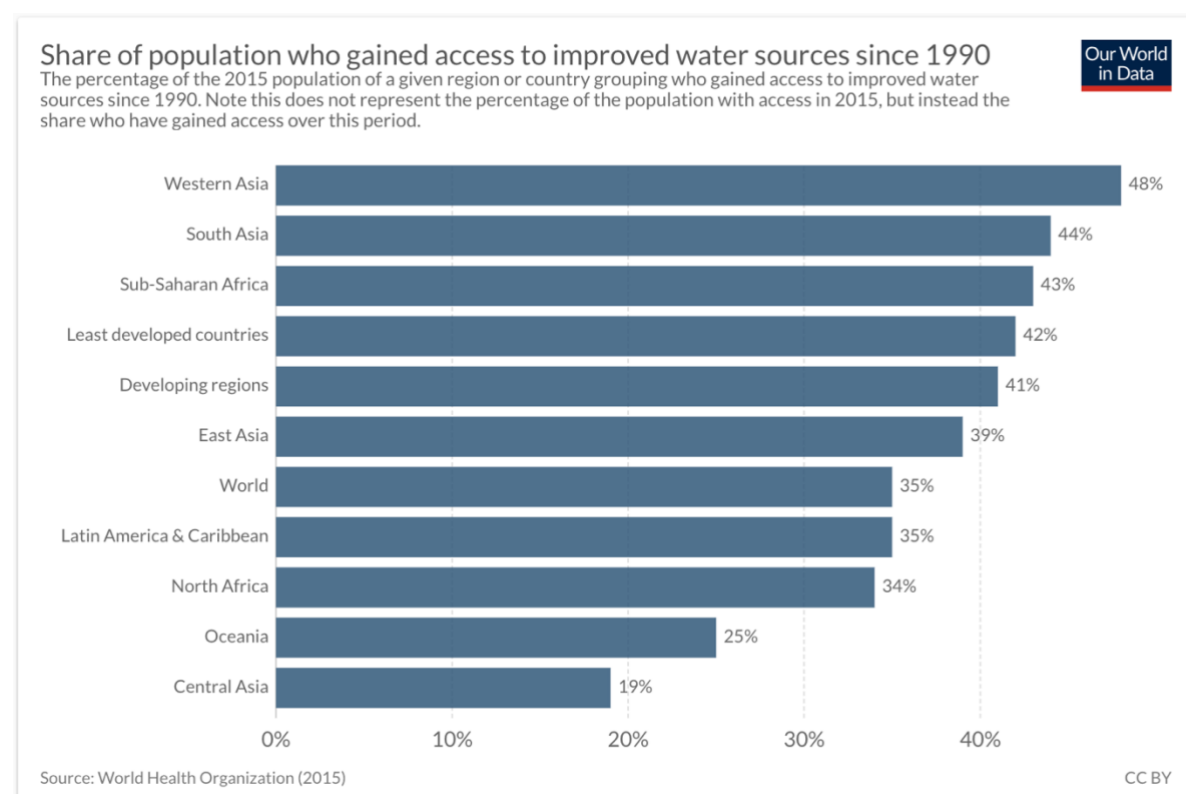
**Graph 25: Share of rural population with access to improved water sources, 2015**



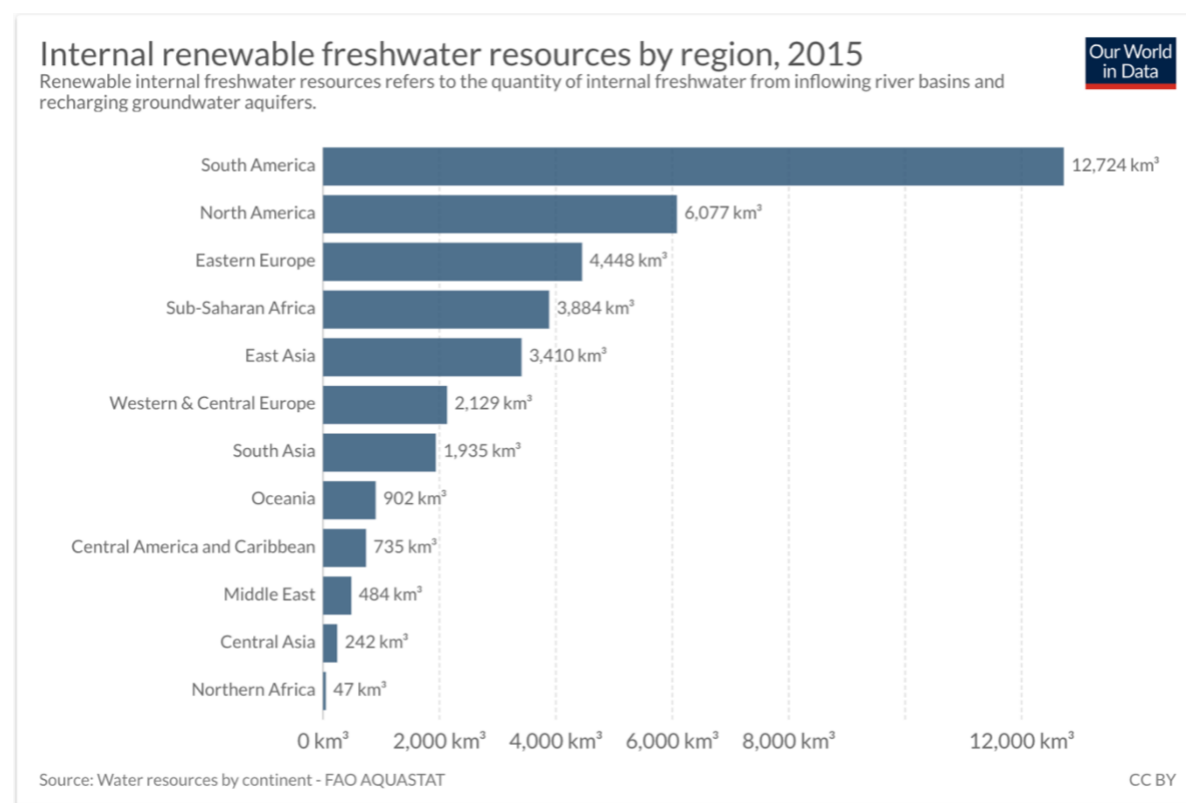
**Graph 26: Share of urban population with access to improved water sources, 2015**



**Graph 27: Share of population who gained access to improved water sources since 1990**

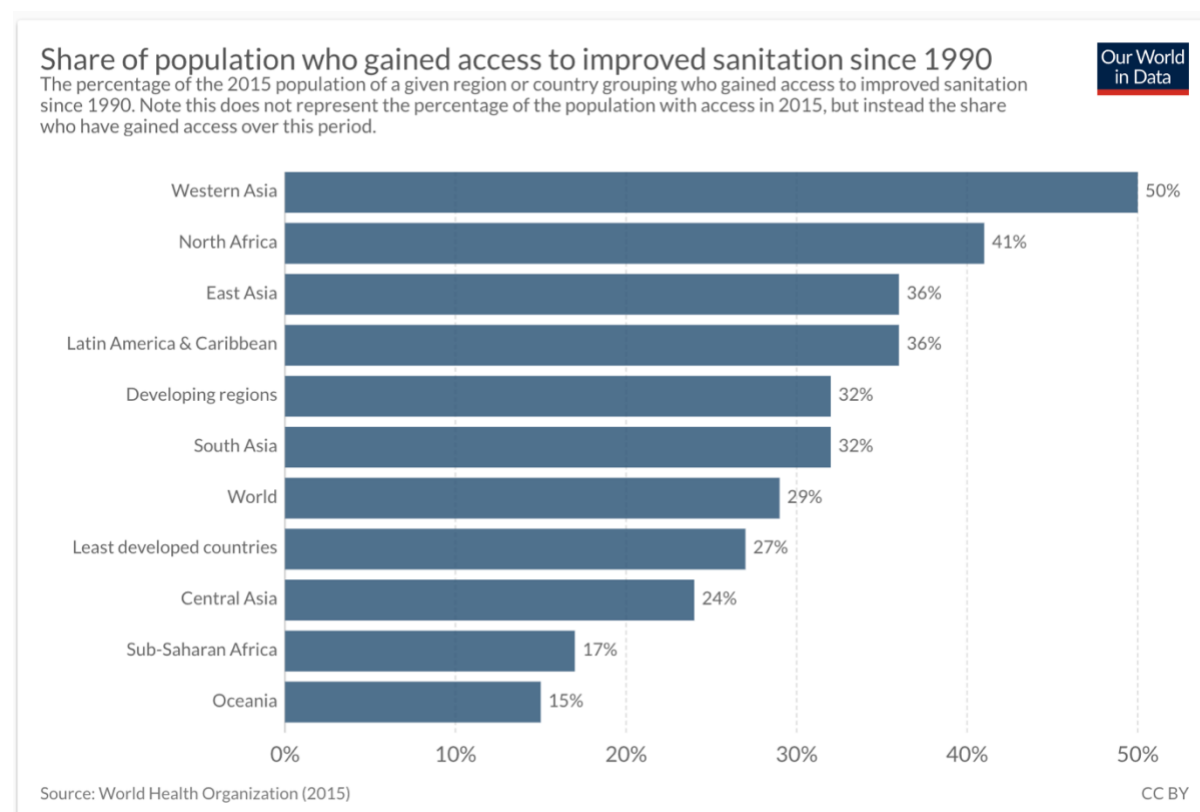


**Graph 28: Internal renewable freshwater resources by region, 2015**

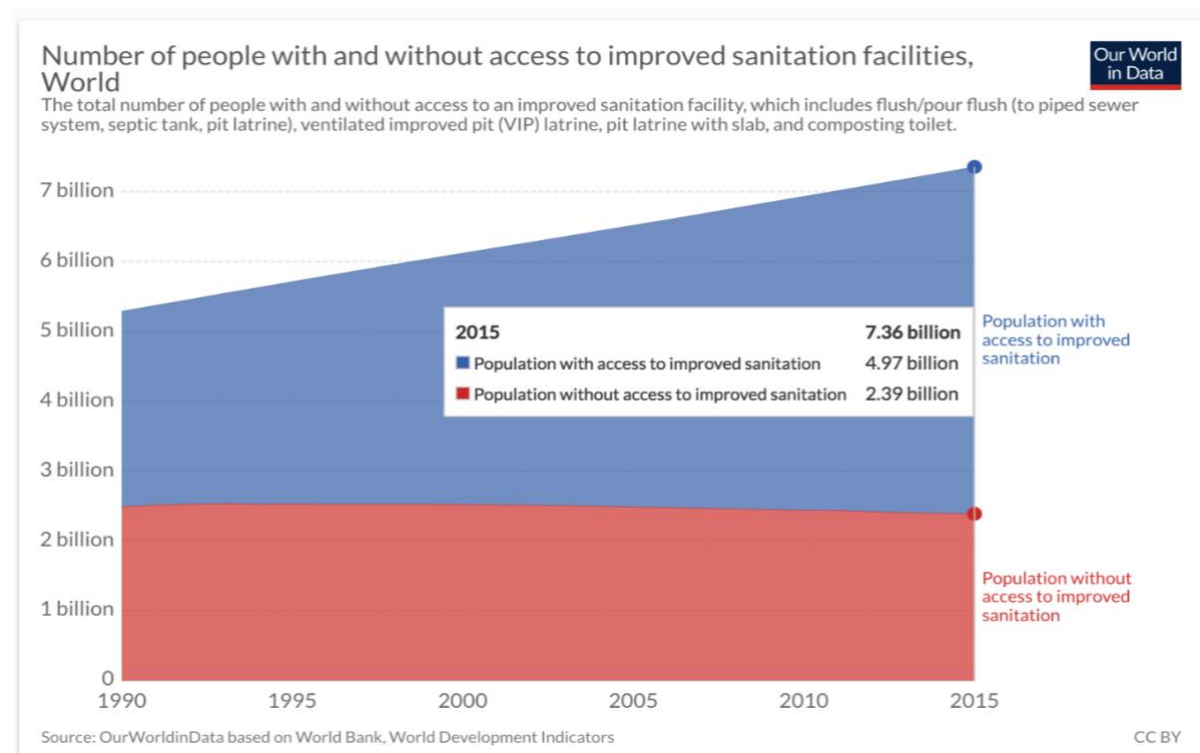




**Graph 29: Share of population who gained access to improved sanitation since 1990**

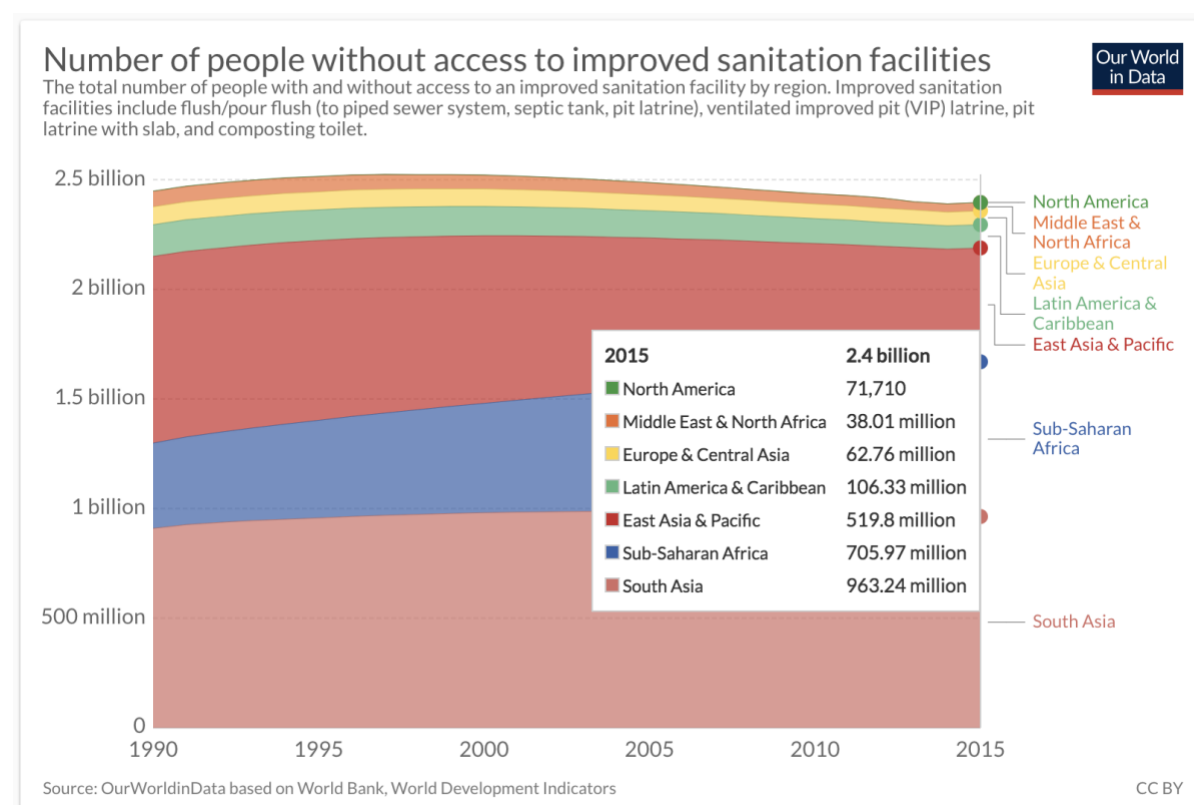


**Graph 30: Number of people in the world with and without access to improved sanitation facilities**

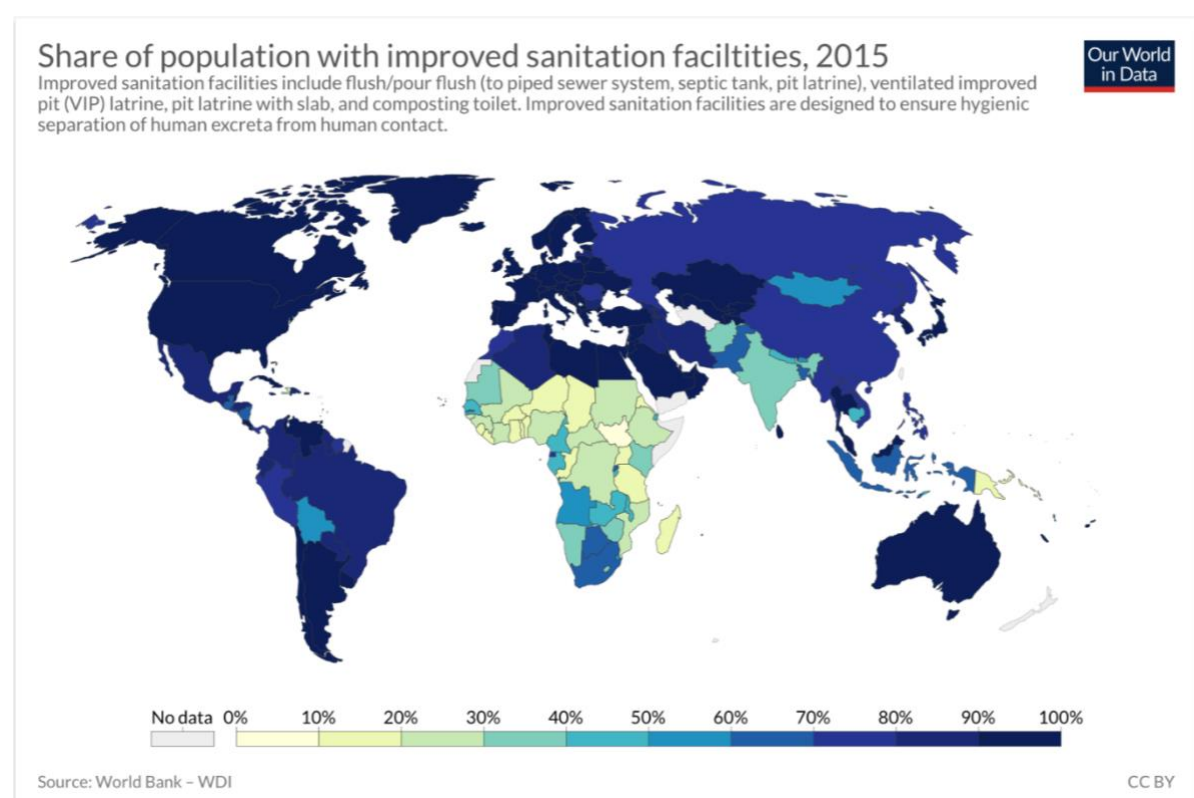




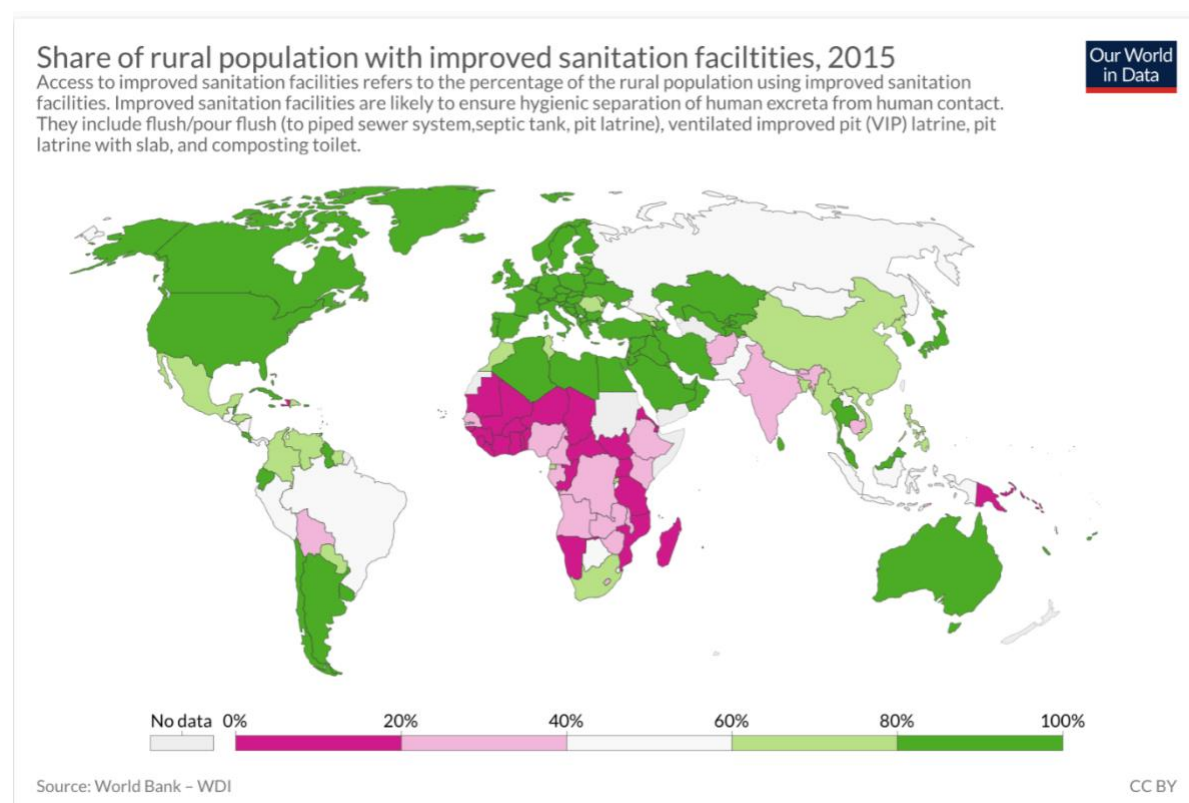
**Graph 31: Number of people without access to improved sanitation facilities**



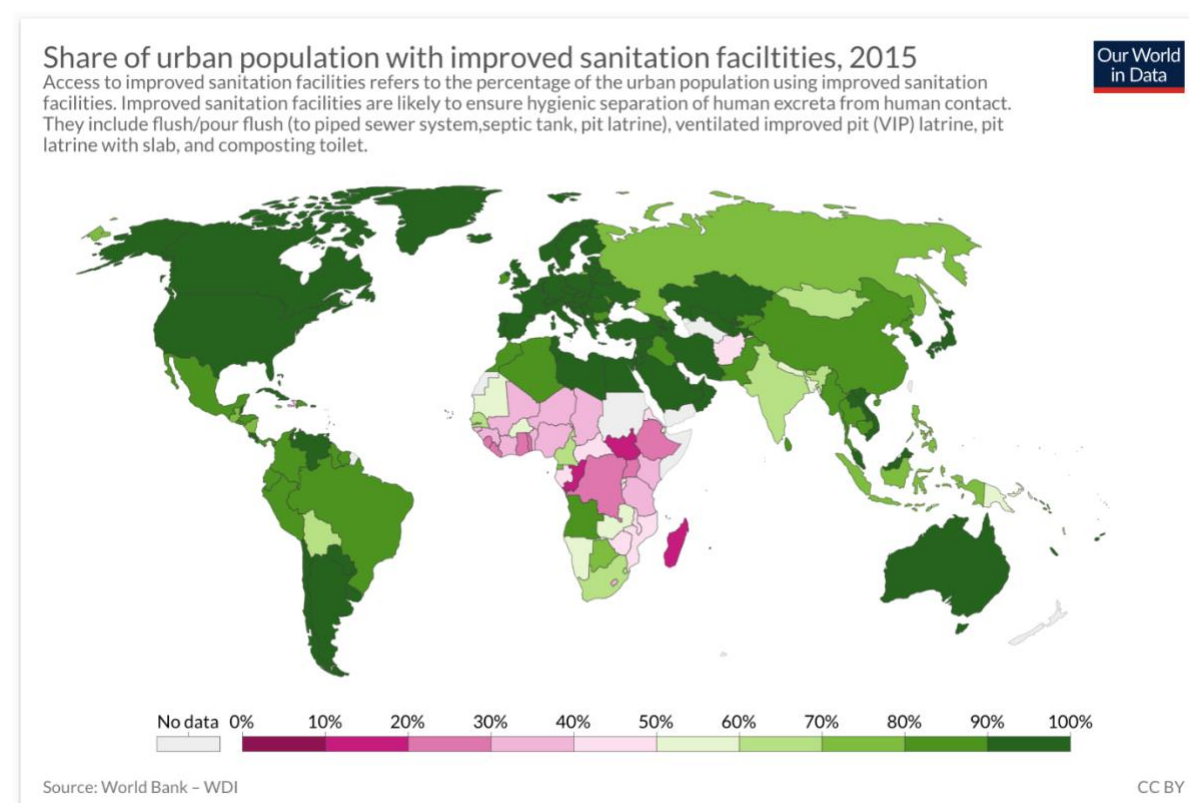
**Graph 32: Share of population with improved sanitation facilities, 2015**



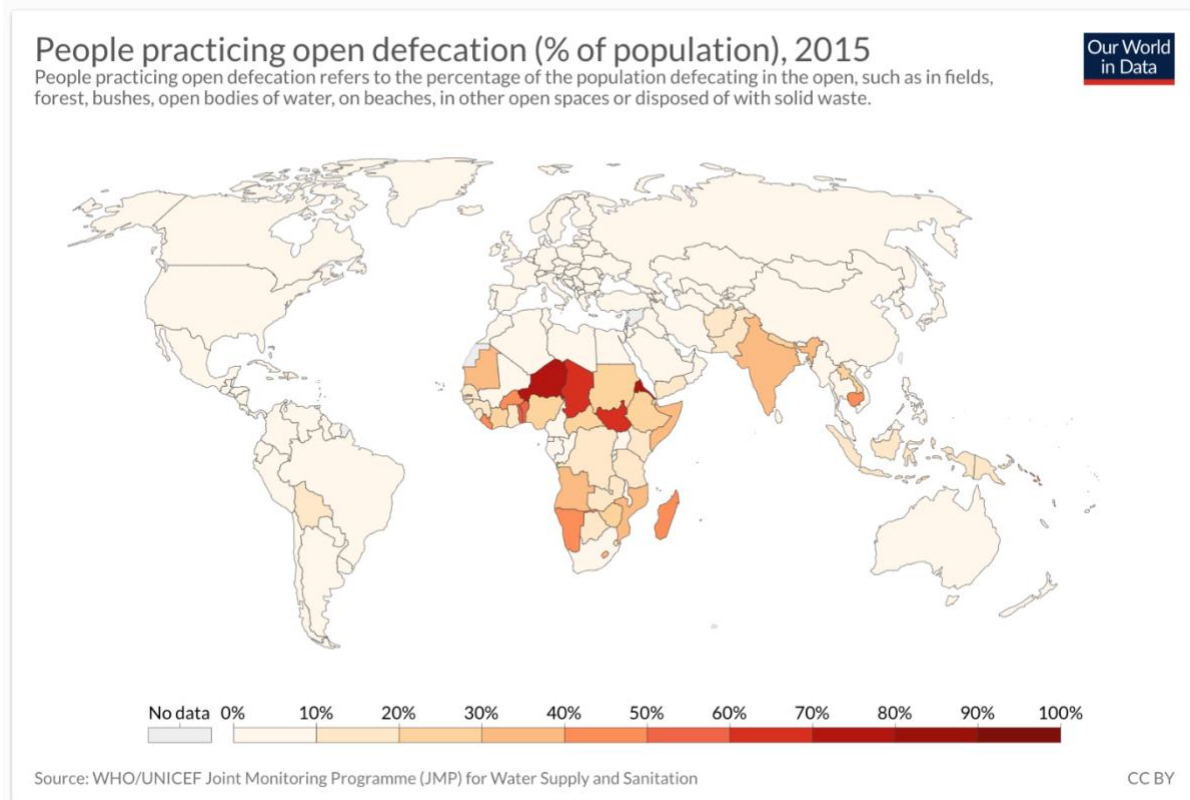
**Graph 33: Share of rural population with improved sanitation facilities, 2015**



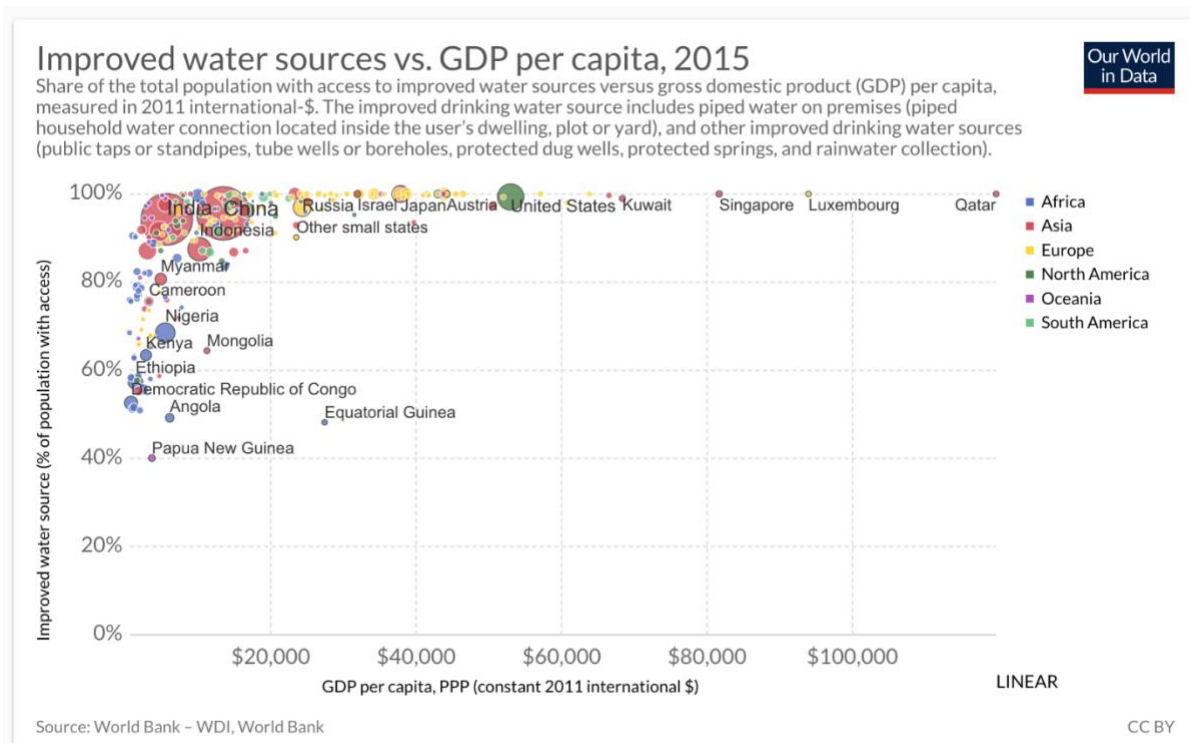
**Graph 34: Share of urban population with improved sanitation facilities, 2015**



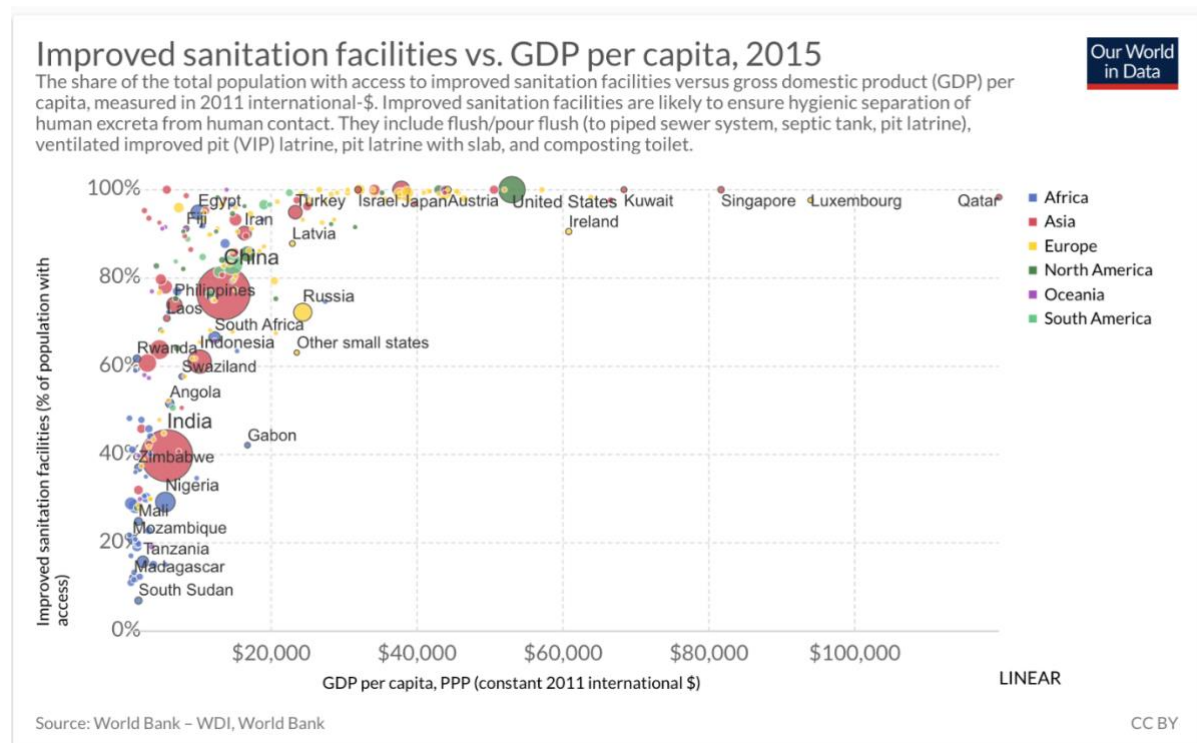
**Graph 35: People practicing open defecation (% of population), 2015**



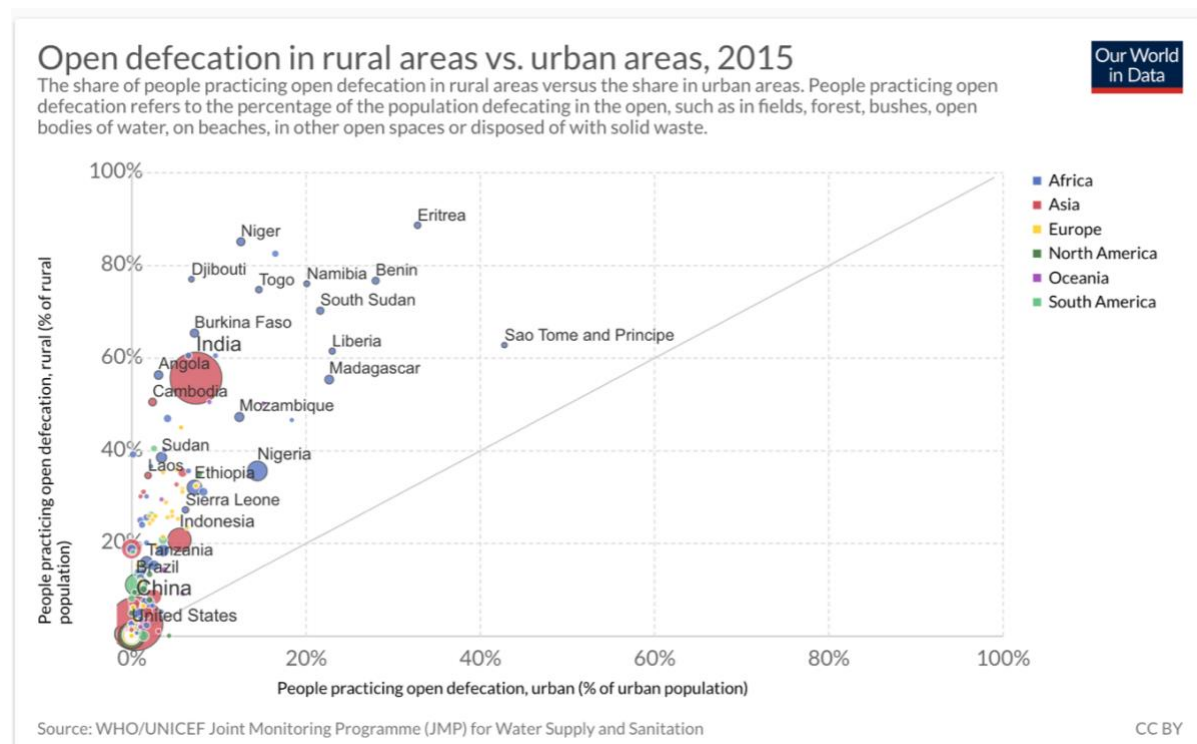
**Graph 36: Improved water sources vs. GDP per capita, 2015**



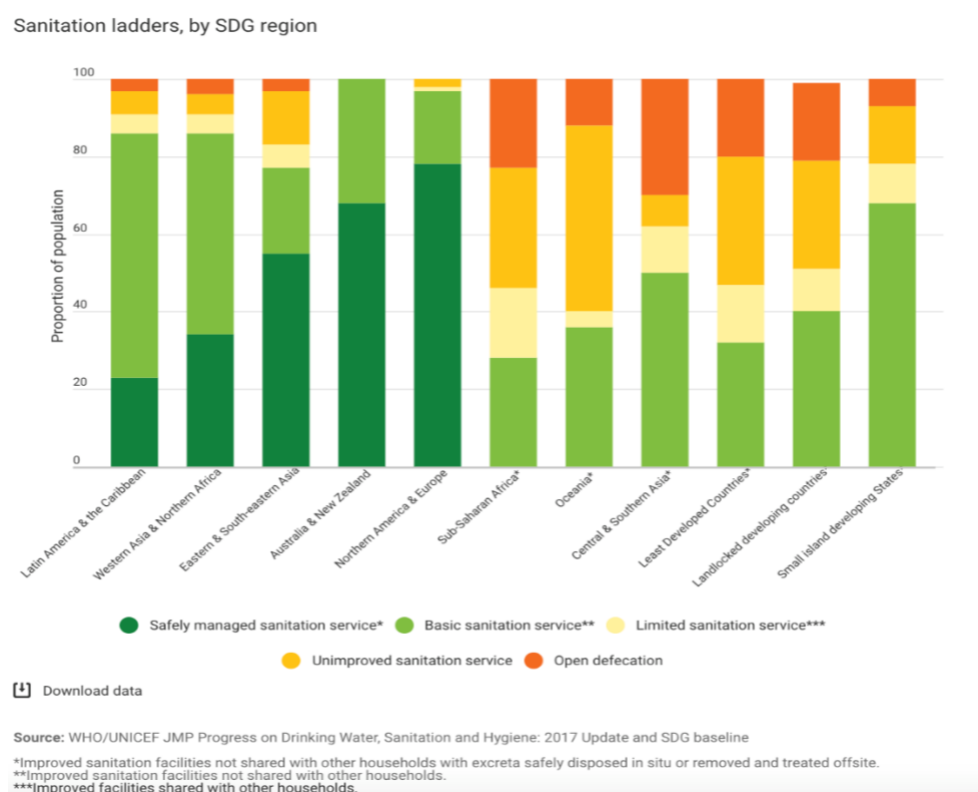
**Graph 37: Improved sanitation facilities vs. GDP per capita, 2015**



**Graph 38: Open defecation in rural areas vs. urban areas, 2015**

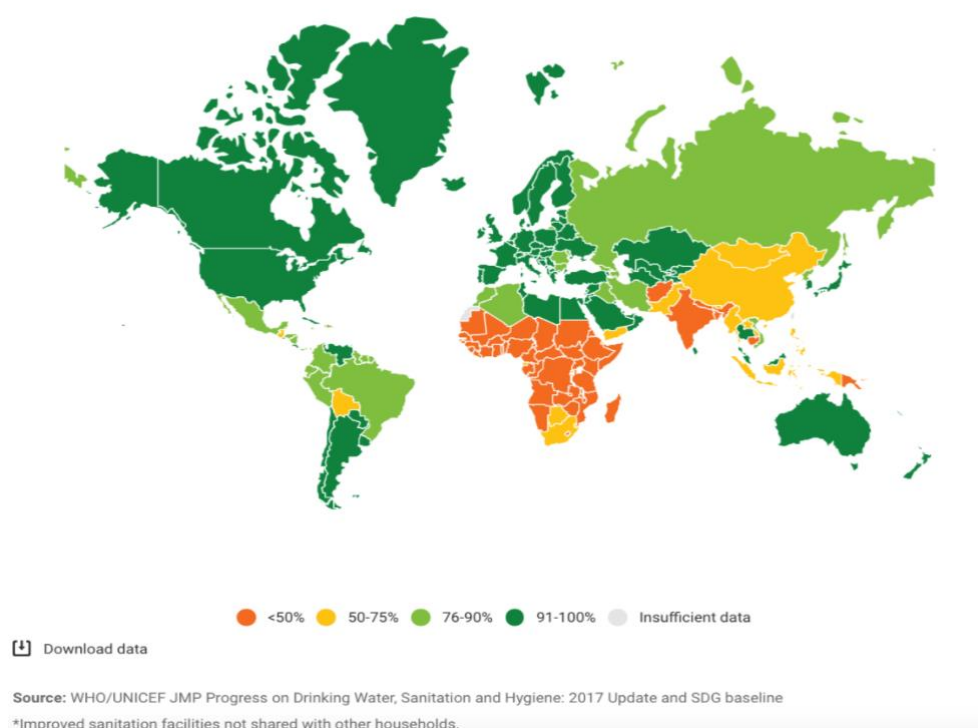


**Graph 39: Sanitation ladders by region (2017)**



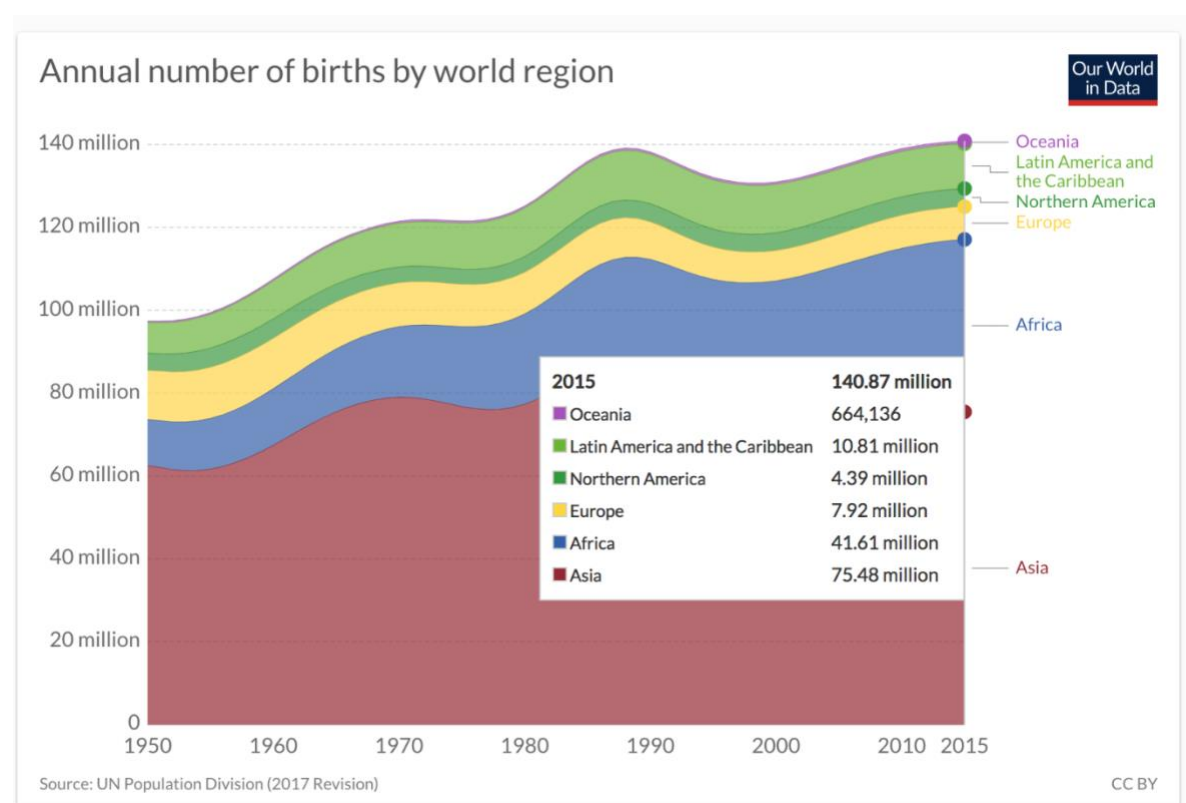
**Graph 40: Proportion of the population using improved sanitation facilities in 2015**

Proportion of the population using improved sanitation facilities in 2015

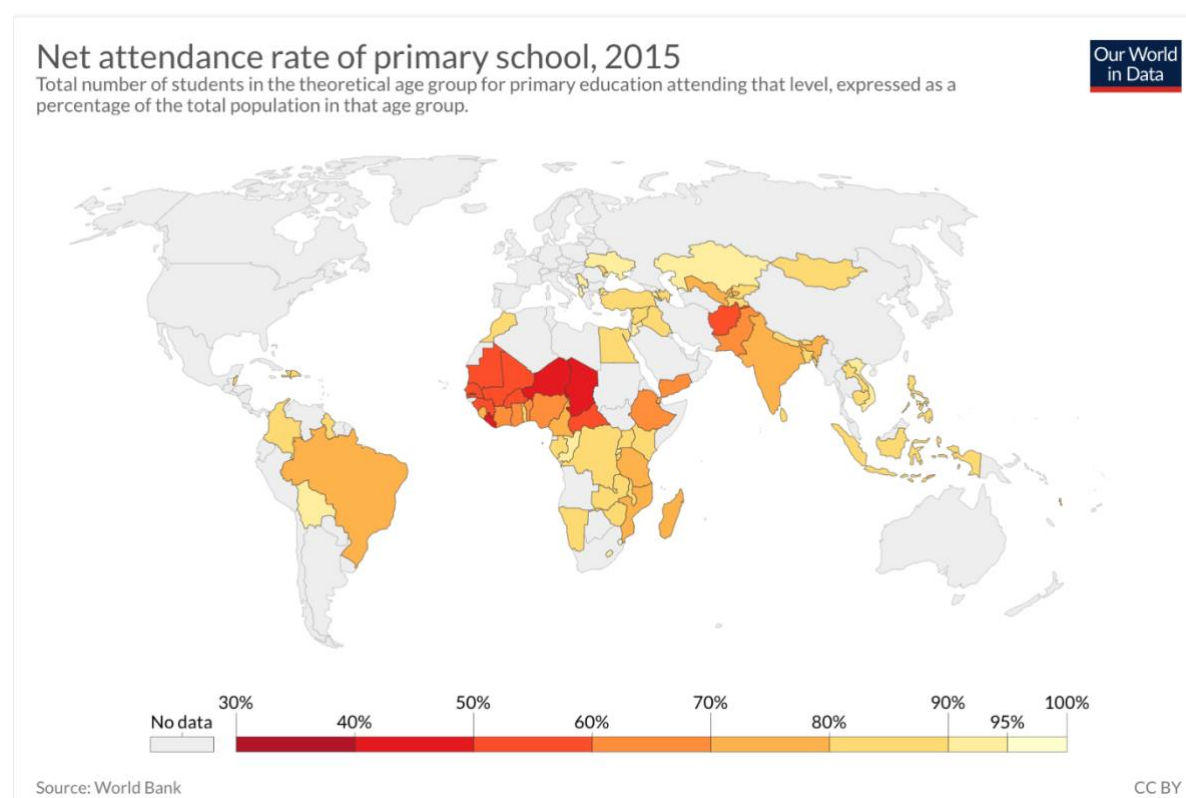




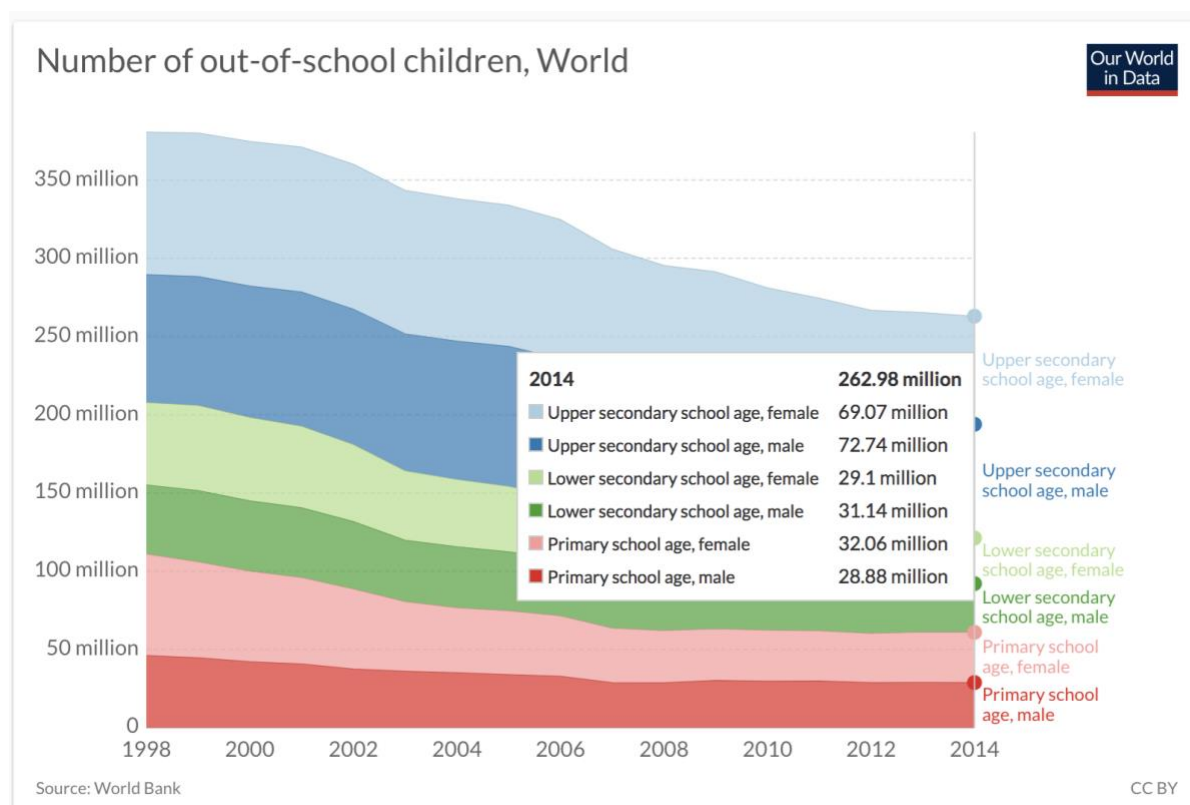
**Graph 41: Annual number of births by world region (2017)**



**Graph 42: Net attendance rate of primary school (2015)**



**Graph 43: Number of out-of-school children**

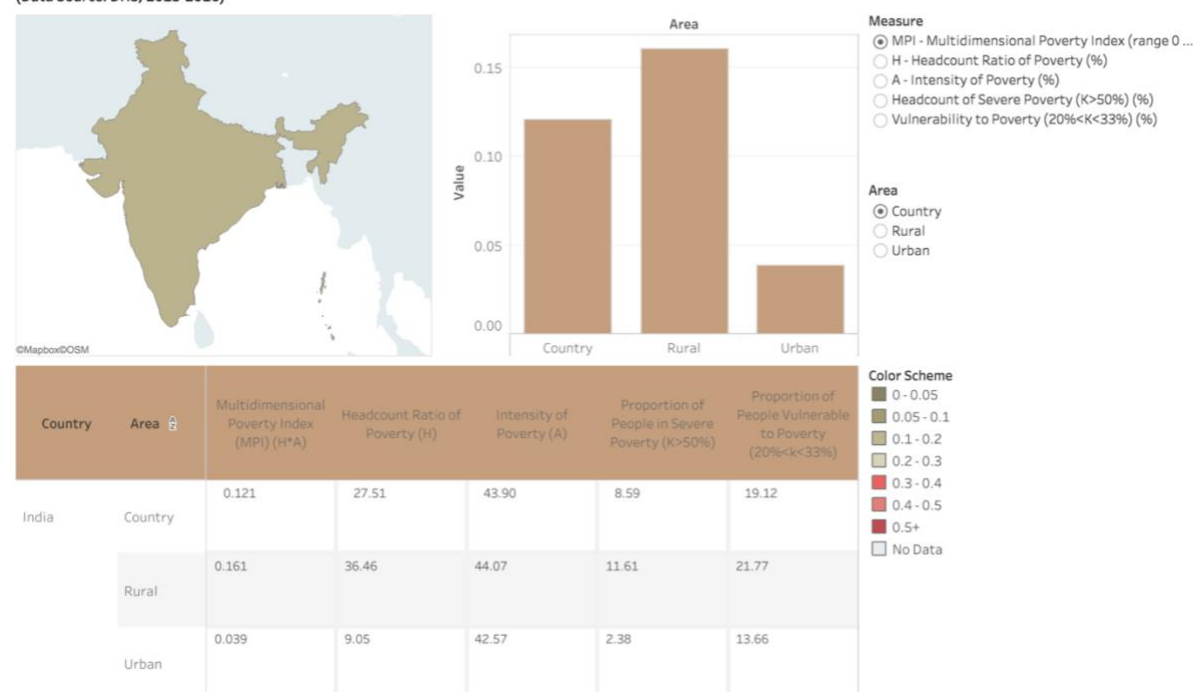


**Graph 44: MPI results for India**

## Summary Results

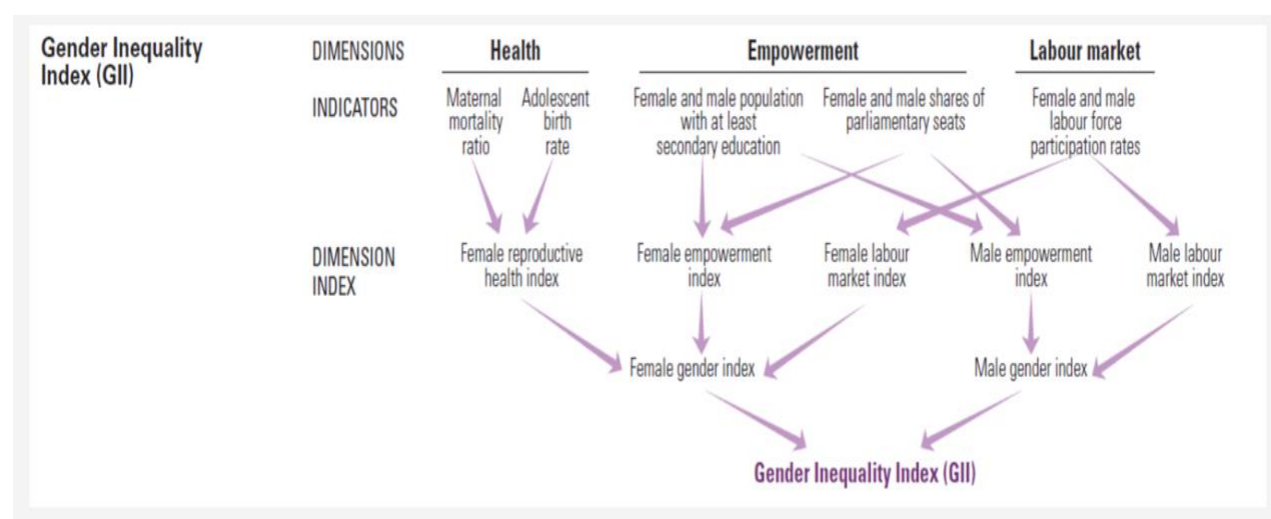
### India

(Data Source: DHS, 2015-2016)

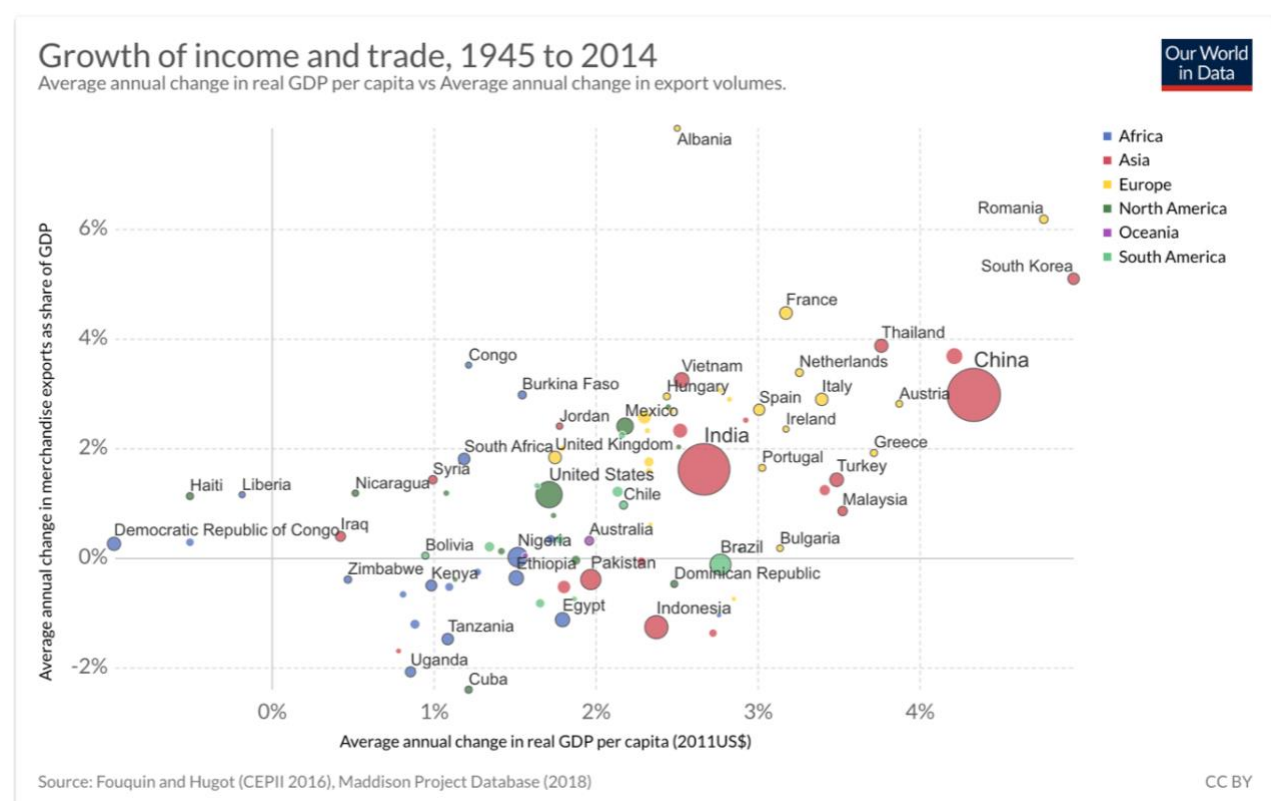


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Reference: Alkire, Kanagaratnam, & Suppa (2018). Global Multidimensional Poverty Index 2018: Brief methodological note and results', *OPHI MPI Methodological Notes No. 46*

**Graph 45: Gender Inequality Index**



**Graph 46: Growth of income and trade, 1945 to 2014**





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