



# *A New Global Partnership*



THE DOHA  
DEVELOPMENT  
AGENDA



## A NEW ECONOMY, A NEW WORLD

In November 2001, World Trade Organization (WTO) members launched a new round of global trade negotiations in Doha, Qatar. Developing country members played a key role in setting these negotiations in motion.

In preparing for Doha, developing countries called for negotiations focused on their needs, on helping them to become full participants in the global trading system. This desire was echoed by major international organizations such as the United Nations, and by the Government of Canada.

The result was a positive revolution in global trade: a major new round of negotiations built around a strong social agenda—a new kind of global partnership.

This partnership is based on the realization that the massive economic and social changes that have taken place since the end of the Second World War have created a new economy, a new world. And this new world demands a new approach.

Over the last 50 years, the world economy has undergone a transformation as fundamental as the Industrial Revolution. The movement of capital, goods, services and information has picked up pace, bringing tremendous productivity and wealth to global citizens.

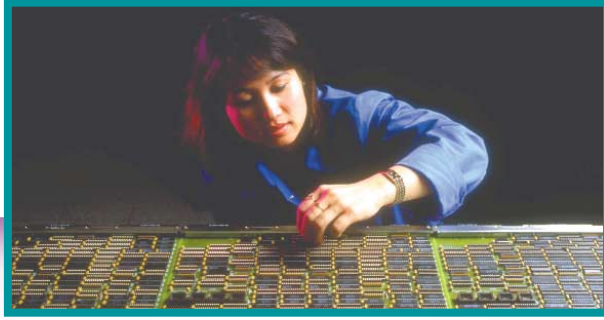
Many poor countries, particularly in Southeast Asia, have benefited from their participation in this global economic revolution, and their citizens now have higher incomes, better educational opportunities and longer life expectancies.

## TRADE LEADERS AND STRAGGLERS

Recent studies strongly suggest that economies open to foreign trade and investment have made great economic strides over the past 30 years. For example, developing countries with open economies saw six times the economic growth of their closed contemporaries in the 1970s and 1980s.

One major study identified a group of successful developing countries, which it called “the globalizers”—a list that includes Bangladesh, China, Costa Rica, Malaysia and others. According to the study:





- The globalizers have seen large increases in trade volumes and significant declines in tariffs over the past 20 years.
- The growth rates of the globalizers have accelerated from the 1970s through the 1990s, even as growth in the rich countries and the rest of the developing world has slowed.
- The post-1980 globalizers are catching up to the rich countries, while the rest of the developing world is falling farther behind.

Not everyone in the world has shared in this trade success story, however. Some countries, mostly in Africa, have struggled to reap the benefits of the world economy, and in some cases their poverty levels are rising.

More than 600 million people live in the world's 49 least developed countries—one tenth of humanity. These countries have average per capita incomes of only a few hundred dollars and an average life expectancy of only 52 years. Their share of world trade has declined in the past 20 years and now stands at only 0.5%.

#### MISSION: TO SPREAD THE BENEFITS

The world's poorest citizens are falling further behind the rest of the globe on life expectancy, children's health, primary school enrolment and economic growth. The deprivation of many of these citizens is compounded by war.

The "Doha Development Agenda"—the World Trade Organization's recently launched global trade negotiations—aims to help spread the benefits of the global economy to every corner of the globe.

Trade, of course, can't do it on its own. The key to development is an integrated approach that involves international financial institutions, governmental and non-governmental aid organizations, the United Nations, regional organizations, and plenty of willpower from developing countries.

True, sustainable development needs fertile soil—economic stability, good governance, the rule of law and a cooperative approach. Trade can't bring all that but it can still play an important role in generating economic activity and building healthy economies.

**Trade is already important to the world's least developed countries, bringing in twice as much income as foreign aid and ten times as much income as foreign direct investment.** Study after study has indicated that as a country's per capita GDP grows, so does the income of its citizens. More trade means more vital income for development.



Developing country ministers made it clear at the 2001 WTO Ministerial meeting: trade is part of the mix, one of the vital and necessary solutions to poverty and underdevelopment.

### DECISION IN DOHA

The Doha meeting's final declaration underscores the commitment of the international community to addressing the concerns of developing countries. It includes:

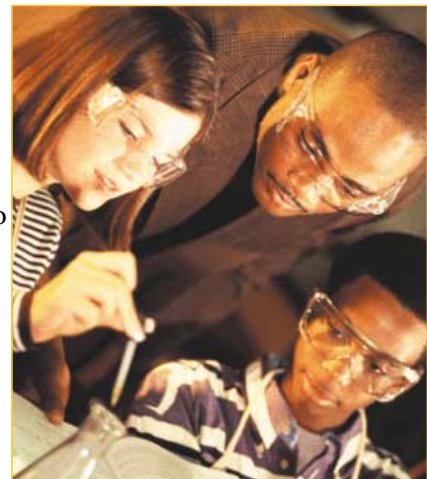
- **an agreement that ensures developing countries have better access to important medicines while still recognizing the importance of patents;**
- **negotiations on improving access to agricultural markets, including reductions with a view to phasing out of export subsidies, and substantial reductions in trade-distorting domestic support;**
- **negotiations on improving access for non-agricultural exports from the least developed countries, with the eventual objective of duty-free, quota-free access; and**
- **negotiations on clarification of rules relating to anti-dumping and countervailing measures and rules on subsidies, especially related to fisheries, upon which many developing countries depend.**

WTO members also committed to work programs on issues of importance to developing countries, including: small economies; trade and transfer of technology; intellectual property; and trade, debt and finance.

In addition, the WTO will discuss issues such as foreign investment, competition policy, trade facilitation and transparency in government procurement, with a view to future negotiations.

The Doha Declaration provided flexibility for developing countries to absorb, sequence and pace their adjustment to WTO commitments. It also underscored the importance of technical assistance to poorer countries—to ensure that they have the ability and infrastructure to participate in trade negotiations, and to implement the results.

At the next Ministerial meeting in Mexico in 2003, the Director-General of the WTO has undertaken to provide a full report on all issues affecting developing countries.







## CANADA'S STAND

Canada strongly supports the focus on the concerns of developing countries in the Doha Declaration. The Government of Canada will continue to champion greater access for developing countries to the markets of the world because it sees liberalized trade, rather than protectionism, as the best way to reduce poverty in developing countries.

This is in line with Canada's approach to developing country assistance, which includes providing technical support for trade negotiations and economic reforms, strengthening the private sector and the legal and institutional environment, and building up human resources through support to key social programs like health, education and training.

In March 2002, Canada contributed \$1.3 million to the WTO for trade-related technical assistance for developing countries.

Canada's trade policy complements its efforts in other institutions, such as the G8 process. Canada is host of the June 2002 G8 Summit in Kananaskis, Alberta, and it has promised that the development needs of Africa will be central to the Summit's work. Personal representatives of leaders from each of the G8 countries are working with African leaders on a concrete action plan for Africa.

### **For more information**

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ISBN 0-662-66417-5

Catalogue No. E2-456/2002

