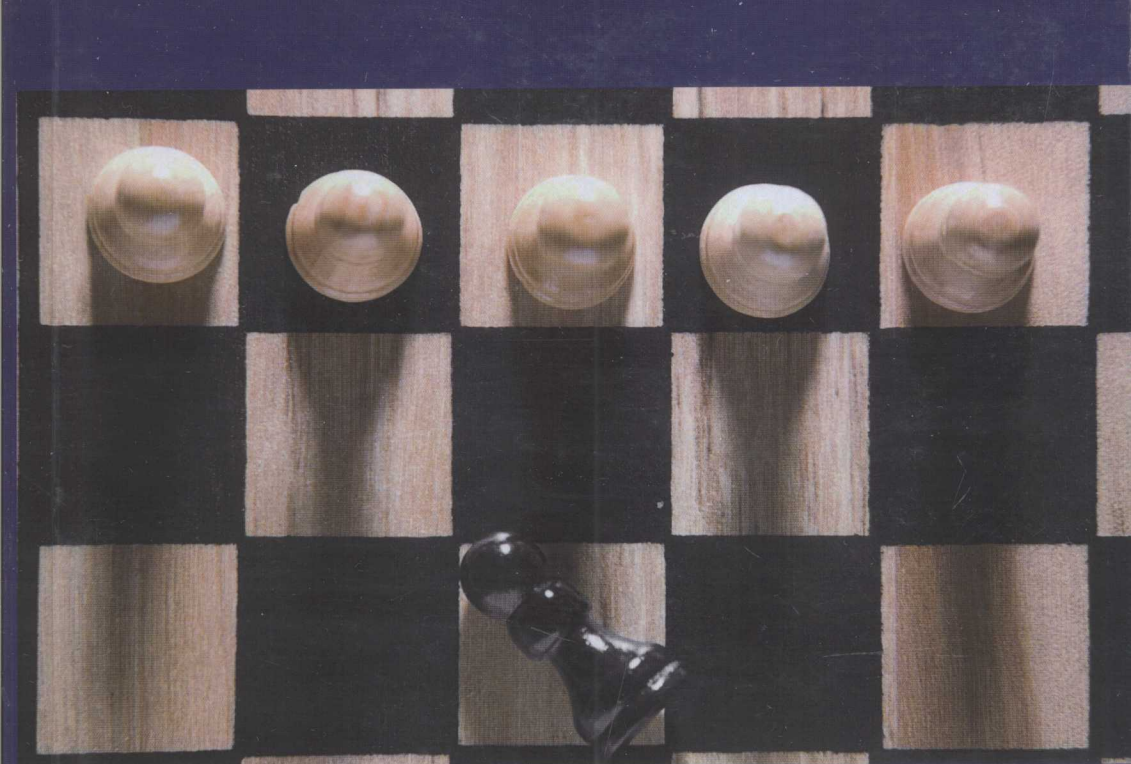




CHARITY MANYERUKE

Global Trade and Economic Development

WTO and Developing Countries

 **LAMBERT**
Academic Publishing

CHARITY MANYERUKE

Global Trade and Economic Development

WTO and Developing Countries



LAP LAMBERT Academic Publishing

Impressum/Imprint (nur für Deutschland/only for Germany)

Bibliografische Information der Deutschen Nationalbibliothek: Die Deutsche Nationalbibliothek verzeichnet diese Publikation in der Deutschen Nationalbibliografie; detaillierte bibliografische Daten sind im Internet über <http://dnb.d-nb.de> abrufbar.

Alle in diesem Buch genannten Marken und Produktnamen unterliegen warenzeichen-, marken- oder patentrechtlichem Schutz bzw. sind Warenzeichen oder eingetragene Warenzeichen der jeweiligen Inhaber. Die Wiedergabe von Marken, Produktnamen, Gebrauchsnamen, Handelsnamen, Warenbezeichnungen u.s.w. in diesem Werk berechtigt auch ohne besondere Kennzeichnung nicht zu der Annahme, dass solche Namen im Sinne der Warenzeichen- und Markenschutzgesetzgebung als frei zu betrachten wären und daher von jedermann benutzt werden dürften.

Coverbild: www.ingimage.com

Verlag: LAP LAMBERT Academic Publishing GmbH & Co. KG
Dudweiler Landstr. 99, 66123 Saarbrücken, Deutschland
Telefon +49 681 3720-310, Telefax +49 681 3720-3109
Email: info@lap-publishing.com

Approved by: Harare, University of Zimbabwe, Doctoral Thesis, 2007

Herstellung in Deutschland:
Schaltungsdienst Lange o.H.G., Berlin
Books on Demand GmbH, Norderstedt
Reha GmbH, Saarbrücken
Amazon Distribution GmbH, Leipzig
ISBN: 978-3-8443-8798-8

Imprint (only for USA, GB)

Bibliographic information published by the Deutsche Nationalbibliothek: The Deutsche Nationalbibliothek lists this publication in the Deutsche Nationalbibliografie; detailed bibliographic data are available in the Internet at <http://dnb.d-nb.de>.

Any brand names and product names mentioned in this book are subject to trademark, brand or patent protection and are trademarks or registered trademarks of their respective holders. The use of brand names, product names, common names, trade names, product descriptions etc. even without a particular marking in this works is in no way to be construed to mean that such names may be regarded as unrestricted in respect of trademark and brand protection legislation and could thus be used by anyone.

Cover image: www.ingimage.com

Publisher: LAP LAMBERT Academic Publishing GmbH & Co. KG
Dudweiler Landstr. 99, 66123 Saarbrücken, Germany
Phone +49 681 3720-310, Fax +49 681 3720-3109
Email: info@lap-publishing.com

Printed in the U.S.A.

Printed in the U.K. by (see last page)

ISBN: 978-3-8443-8798-8

Copyright © 2011 by the author and LAP LAMBERT Academic Publishing GmbH & Co. KG and licensors

All rights reserved. Saarbrücken 2011

TABLE OF CONTENTS

	Page
Dedication	1
Acknowledgements	2
Table of Contents	3
List of Tables and Figures	8
Abbreviations and Acronyms	10
CHAPTER ONE: INTRODUCTION	15
1.1 Overview	15
1.1.1 Problem Statement and Background	15
1.1.2 Justification of the Study	17
1.1.3 Hypothesis	17
1.1.4 Objectives of the Study	18
1.1.5 Background of the World Trade Organisation	19
1.2 Study Area	22
1.3 Methodology	33
1.4 Literature Review and Theoretical Framework	34
1.4.1 Political Economy Approach	34
1.4.2 Dependency Theory	43
1.4.3 The Globalisation Discourse	55
1.4.4 Technology Factor	59
1.4.5 Multi-National Corporations	60
1.4.6 Environmental Factor	63
1.4.7 Globalization and Statehood	64
1.4.7.1 The Question of Security	64

1.4.7.2 State Sovereignty	67
1.4.8 The Question of Capital	69
1.4.9 Globalisation and Civil Society	74
1.4.10 Globalisation and Regionalisation	77
1.4.11 Multilateralism	82
1.4.12 Globalisation and Sustainable Development	86
Bibliography	94

CHAPTER TWO: THE WORLD TRADE ORGANISATION: A POLITICAL ECONOMIC BACKGROUND OF GLOBAL TRADE 99

2.1 Introduction	99
2.2 Post-World War Two Quest for New International Economic Order	99
2.3 The International Trade Organisation	103
2.4 The General Agreement on Tariffs and Trade (GATT)	105
2.5 The Marginalisation Developing Countries in GATT	113
2.6 The World Trade Organisation and Developing Countries	119
2.6.1 Basic Principles of the WTO	120
2.6.1.1 Non-discrimination	120
2.6.1.2 Reciprocity	123
2.6.1.3 Transparency	125
2.6.1.4 Promoting Fair Competition	128
2.7 The World Organisation Structure	131
2.7.1 Membership	132
2.7.2 The Ministerial Conference	133

2.7.3 The General Council	134
2.7.4 The Secretariat	135
2.7.5 The Dispute Settlement System	137
2.7.6 An Analysis into Dispute Settlement Cases	142
2.8 Conclusion	147
Bibliography	149

CHAPTER THREE: THE EVOLUTION OF ZIMBABWE'S PARTICIPATION IN THE WORLD TRADE ORGANISATION

	152
3.1 Introduction	152
3.2 The Zimbabwean Institutional Framework for WTO Negotiations	153
3.3 Negotiation Strategy	159
3.4 The Role of Local Non-Governmental Organisations in WTO Negotiations	163
3.5 An Analysis of some of WTO Conferences	173
3.5.1 An Evaluation of the Seattle Conference	173
3.5.2 Zimbabwe in the Seattle Ministerial Conference	175
3.5.3 Zimbabwe and its Position on Seattle in Various Groups	186
3.5.4 The Doha Development Agenda	197
3.5.5 Zimbabwe Post- Doha Evaluation	210
3.5.6 The Cancun Conference	218
3.5.7 Why Trade Negotiations Collapsed at Cancun	218

3.6 The World Trade Organisation and Regionalism: The Case of Zimbabwe's Participation in the Post ACP-EU Lome Negotiations	224
3.6.1 Zimbabwe's Roadmap for EPAs	229
3.6.2 Challenges Facing Zimbabwe	236
3.6.2.1 Funding	236
3.6.2.2 Typography of Negotiations	238
3.7 Conclusion	244
Bibliography	248
CHAPTER FOUR: THE AGREEMENT ON AGRICULTURE	250
4.1 Introduction	250
4.2 An Overview of the Zimbabwe Agricultural Policy	253
4.3 Agriculture and the World Trade Organisation	256
4.4 Market Access	258
4.5 Export Subsidies	274
4.6 Domestic Support	282
4.7 Conclusion	294
Bibliography	300
CHAPTER FIVE: THE AGREEMENT ON TRADE RELATED ASPECTS OF INTELLECTUAL PROPERTY RIGHTS	304
5.1 Introduction	304
5.2 Zimbabwean Sculptor	308
5.3 Traditional Medicines and Information	321
5.4 Pharmaceutical Drugs	325
5.5 Conclusion	333
Bibliography	338

CHAPTER SIX: CONCLUSIONS AND RECOMMENDATIONS 341

6.1 Overview	341
6.2 The Multilateral Trade Structure	341
6.3 Colonial Legacy	343
6.4 Institutional Capacity	344
6.5 Political- Economic Environment	345
6.6 The Role of NGOs in Multilateral Trade	346
6.7 Preparations for Negotiations	346
6.8 Globalisation and Developing Countries	347
6.9 Co- ordination of Local Structures	349
6.10 Investment in Research	349
6.11 Ministerial Conferences	350
6.12 Agreement on Trade – Related Aspects of Intellectual Property Rights	351
6.13 Agreement on Agriculture	355
6.14 Globalisation and Regionalisation	359
6.15 Multi – National Corporations	361
6.16 Decision Making and Multilateral Trade	362
6.17 Further Studies	362
Consolidated Bibliography	364

LIST OF TABLES AND FIGURES

<u>Table</u>	<u>Page</u>
1.1 Domestic Exports Classified in Sections and Principal Commodities	26
1.2 Domestic Exports Classified by Principal Countries, Z\$ Thousand	27
1.3 Domestic Imports Classified by Principal Countries, Z\$ Thousand	28
1.4 Summary of External Trade, Z\$ Million	28
1.5 Domestic Exports Classified by Principal Countries, Z\$ Thousand	29
1.6 Imports Classified by Principal Countries, Z\$ Thousand	29
2.1 US Imports Covered by Kennedy Round Tariff Concessions (Reductions plus Bindings) as a Share of Total US Imports from the Country Growth	108
3.1 Investment Summary, US\$ Million 1996-1998	187
3.2 Key Development Indicators	215
3.3 Intra- Comesa Trade, US Millions	228
3.4 Zimbabwe's Trade Negotiating Clusters	231
4.1 Zimbabwe's Bound and Applied Tariff Schedule on Selected Agricultural Products	260
4.2 Comparison of Post-2004 SADC and MFN Tariffs	261
4.3 Products Affected by Non-Tariff Barriers: Prohibitions/ Restrictions On Exportable Products	262
4.4 Carrot and Stick Retention Scheme: 2004	277
4.5 Retention Scheme for Delayed Payments: 2004	277

4.6 Carrot and Stick Export Retention Scheme: ENHANCED (Excluding Horticulture: [Effective 1 November 2004]	278
---	-----

4.7 Exchange Control Approved Extensions [Effective 1 November 2004]	279
--	-----

4.8 Imported Food Products: 2004	285
----------------------------------	-----

4.9 Green Box Expenditure 1995-1999 (US\$ Thousand)	288
---	-----

4.10 Distribution of ASPEF Loans	290
----------------------------------	-----

List of Figures

1.1 The Map of Zimbabwe	22
-------------------------	----

1.2 The Map of Southern Africa	23
--------------------------------	----

2.1 The WTO structure	131
-----------------------	-----

4.1 Share of Agricultural Exports	257
-----------------------------------	-----

4.2 Exports of Sugar 1985- 1999	271
---------------------------------	-----

4.3 Contributions of some Agricultural Commodities to Total Imports	286
---	-----

DEDICATION

To Shingi, Nyasha and Vicky

ACKNOWLEDGEMENTS

I am profoundly grateful to my husband, Shingirai for his unwavering support throughout this study. To my children, Nyasha, Victor and the late Kudzai, I thank you for enduring the long hours of my absence as I worked on this study.

I am also deeply indebted to my supervisor Dr. D. P Chimanikire who consistently supervised me throughout the duration of the study. I also thank my co-supervisor, Dr. M. Masiwa for his contribution to this study.

I acknowledge the supported I got from the general academia, particularly the advisory, consultative, mutual concern and moral support I received from the Department of International Relations and Social Development and the Institute of Development Studies as a whole.

I acknowledge the immense contributions made by various organisations and individuals, which made the study a success. Some of them are Professor Gopalan Balachandran, Professor Georges Abi-Saab, Carlson, Michelle, Evadro, Karen, Verne and Chanzo, the Graduate Institute of International Studies in Geneva, the WTO Secretariat in Geneva, ZIMTRADE in Harare, SEATINI in Harare, TRADES Centre in Harare, CTDT in Harare, Zimbabwe's Ministry of Industry and International Trade, ZIMRA, Competition and Tariff Commission and CZI.

TABLE OF CONTENTS

	Page
Dedication	1
Acknowledgements	2
Table of Contents	3
List of Tables and Figures	8
Abbreviations and Acronyms	10
CHAPTER ONE: INTRODUCTION	15
1.1 Overview	15
1.1.1 Problem Statement and Background	15
1.1.2 Justification of the Study	17
1.1.3 Hypothesis	17
1.1.4 Objectives of the Study	18
1.1.5 Background of the World Trade Organisation	19
1.2 Study Area	22
1.3 Methodology	33
1.4 Literature Review and Theoretical Framework	34
1.4.1 Political Economy Approach	34
1.4.2 Dependency Theory	43
1.4.3 The Globalisation Discourse	55
1.4.4 Technology Factor	59
1.4.5 Multi-National Corporations	60
1.4.6 Environmental Factor	63
1.4.7 Globalization and Statehood	64
1.4.7.1 The Question of Security	64

1.4.7.2 State Sovereignty	67
1.4.8 The Question of Capital	69
1.4.9 Globalisation and Civil Society	74
1.4.10 Globalisation and Regionalisation	77
1.4.11 Multilateralism	82
1.4.12 Globalisation and Sustainable Development	86
Bibliography	94

CHAPTER TWO: THE WORLD TRADE ORGANISATION: A POLITICAL ECONOMIC BACKGROUND OF GLOBAL TRADE 99

2.1 Introduction	99
2.2 Post-World War Two Quest for New International Economic Order	99
2.3 The International Trade Organisation	103
2.4 The General Agreement on Tariffs and Trade (GATT)	105
2.5 The Marginalisation Developing Countries in GATT	113
2.6 The World Trade Organisation and Developing Countries	119
2.6.1 Basic Principles of the WTO	120
2.6.1.1 Non-discrimination	120
2.6.1.2 Reciprocity	123
2.6.1.3 Transparency	125
2.6.1.4 Promoting Fair Competition	128
2.7 The World Organisation Structure	131
2.7.1 Membership	132
2.7.2 The Ministerial Conference	133

2.7.3 The General Council	134
2.7.4 The Secretariat	135
2.7.5 The Dispute Settlement System	137
2.7.6 An Analysis into Dispute Settlement Cases	142
2.8 Conclusion	147
Bibliography	149

CHAPTER THREE: THE EVOLUTION OF ZIMBABWE'S PARTICIPATION IN THE WORLD TRADE ORGANISATION

	152
3.1 Introduction	152
3.2 The Zimbabwean Institutional Framework for WTO Negotiations	153
3.3 Negotiation Strategy	159
3.4 The Role of Local Non-Governmental Organisations in WTO Negotiations	163
3.5 An Analysis of some of WTO Conferences	173
3.5.1 An Evaluation of the Seattle Conference	173
3.5.2 Zimbabwe in the Seattle Ministerial Conference	175
3.5.3 Zimbabwe and its Position on Seattle in Various Groups	186
3.5.4 The Doha Development Agenda	197
3.5.5 Zimbabwe Post- Doha Evaluation	210
3.5.6 The Cancun Conference	218
3.5.7 Why Trade Negotiations Collapsed at Cancun	218

3.6 The World Trade Organisation and Regionalism: The Case of Zimbabwe's Participation in the Post ACP-EU Lome Negotiations	224
3.6.1 Zimbabwe's Roadmap for EPAs	229
3.6.2 Challenges Facing Zimbabwe	236
3.6.2.1 Funding	236
3.6.2.2 Typography of Negotiations	238
3.7 Conclusion	244
Bibliography	248
CHAPTER FOUR: THE AGREEMENT ON AGRICULTURE	250
4.1 Introduction	250
4.2 An Overview of the Zimbabwe Agricultural Policy	253
4.3 Agriculture and the World Trade Organisation	256
4.4 Market Access	258
4.5 Export Subsidies	274
4.6 Domestic Support	282
4.7 Conclusion	294
Bibliography	300
CHAPTER FIVE: THE AGREEMENT ON TRADE RELATED ASPECTS OF INTELLECTUAL PROPERTY RIGHTS	304
5.1 Introduction	304
5.2 Zimbabwean Sculptor	308
5.3 Traditional Medicines and Information	321
5.4 Pharmaceutical Drugs	325
5.5 Conclusion	333
Bibliography	338

CHAPTER SIX: CONCLUSIONS AND RECOMMENDATIONS 341

6.1 Overview	341
6.2 The Multilateral Trade Structure	341
6.3 Colonial Legacy	343
6.4 Institutional Capacity	344
6.5 Political- Economic Environment	345
6.6 The Role of NGOs in Multilateral Trade	346
6.7 Preparations for Negotiations	346
6.8 Globalisation and Developing Countries	347
6.9 Co- ordination of Local Structures	349
6.10 Investment in Research	349
6.11 Ministerial Conferences	350
6.12 Agreement on Trade – Related Aspects of Intellectual Property Rights	351
6.13 Agreement on Agriculture	355
6.14 Globalisation and Regionalisation	359
6.15 Multi – National Corporations	361
6.16 Decision Making and Multilateral Trade	362
6.17 Further Studies	362
Consolidated Bibliography	364