

but in the much broader context of the growth-with-adjustment debt strategy. Thus, for example, a prime structural impediment to the restoration of creditworthiness and growth in many of the heavily-indebted countries are shallow and inefficient capital markets. Among economists and in Fund/Bank circles there is widespread agreement that improved financial markets are essential for mobilising domestic savings, improving the efficiency of domestic investment, securing new equity capital and the repatriation of flight capital, facilitating debt-equity swaps and other financial options. Indeed the older model of development economists -- that effective financial intermediation was a consequence of development -- has been turned upside down, now stressing that it is a prerequisite of development. Yet no trace of this analytical framework surfaced during the prolonged debate on services among trade officials at the GATT. Nor, on the other hand, is there a coordinated strategy of financial market reform in developing countries, involving the GATT in cooperation with the Fund and Bank, in utilising opportunities offered by the Uruguay Round negotiations on services. But more of this later.