

The non-tariff codes of the Tokyo Round package legitimize greater government intervention in trade matters, but also provide a framework of rules within which those interventions should take place. If the codes are not used to reduce or limit developing-country access to developed-country markets and if the rules are followed, then the developing countries stand to benefit from the codes. However, if the developed countries dilute or circumvent the rules, then the developing countries are the most likely to suffer.

The catchword of the Tokyo Round has been "fair trade," which implies trade carried out according to an accepted set of rules. Yet there is a potentially darker meaning to "fair trade"—the inability or unwillingness of developed countries to permit rapid shifts in trade in "sensitive goods," largely those requiring labor-intensive production.

It has been noted that unless the world moves toward freer trade, it will move away from it. In this respect the Tokyo Round has been successful in stemming protectionist activities, at least to some degree. In fact, the negotiators should be congratulated for their endurance in attempting to ensure that the global trading system remain as open as possible. Yet the dearth of developing-country signatures signals that the negotiations have not been completely successful.

The mixed results of the Tokyo Round with respect to developing countries suggests the need for further action. A major new round of trade talks in the near future is unlikely, but policies affecting trade need not be cast in stone. Indeed the Tokyo Round agreements have yet to be finalized and implemented, and action can still be taken on the other fronts as well.

- Negotiators should be pressed, particularly by the developing countries and the United States, to renew their efforts to produce a mutually acceptable safeguards code.

- The dismantling of existing NTBs aimed at developing countries, particularly OMAs, should be given a high priority on the international agenda.
- Developed and advanced developing countries should engage in ongoing discussions aimed at bringing the latter group more fully into the world trading system as well as creating increased opportunities for poorer developing countries.
- In recognition of the limited direct benefits derived by developing countries from the Tokyo Round, the industrial countries should take a more flexible attitude toward proposals affecting other areas of North-South trade (e.g., commodity price stabilization agreements and the creation of an international grain reserve).
- Developed-country policymakers should undertake aggressive efforts to eliminate or alleviate the problems that are direct causes for protectionist sentiment, such as unemployment and major payments imbalances.
- Developing countries should start now to increase their individual and collective bargaining capabilities. Those developing countries that decide to join either individual codes or the entire package should undertake special efforts to ensure that the rules are scrupulously enforced.
- Those involved in the process of making the trade agreements operational should keep firmly in mind the special needs of developing countries.

These and other efforts will be required to ensure that the international trading system acts to enhance rather than to retard growth and increased equity in the world economy.

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