Other Non-tariff Codes. The Tokyo Round package includes additional codes of conduct on a) standards, that is, technical barriers to trade, b) government procurement, c) licensing, and d) systems of customs valuation. The potential impact of these codes on developing countries varies, since all countries employ different forms and levels of regulations. Developing countries tend to utilize more restrictive policies in these areas in order to protect newly emerging industries and to manage chronic trade deficits. Whether or not individual developing countries sign specific codes depends on their own interests and opportunities. If they do not sign, however, they may not be granted the privileges embodied in the provisions. Most of the codes include language that permits preferential treatment for developing countries and provides transition periods for policy change. The United States and the EEC are taking the position that, in the case of some of the new codes (particularly those on subsidies and government procurement), they will only commit themselves to applying the benefits to signatories. Whether or not they would in practice extend them to other countries is an open question. This departure from the principle of most-favored-nation treatment could be used against non-signatory developing countries. What could emerge is a two-tiered (or multi-tiered) trading system, with different rules being applied to different countries.

Protectionism

The effect of the Tokyo Round on protectionism is unclear, since there is no way to judge what would have occurred in the absence of negotiations. On the one hand, the industrialized countries have in recent years introduced a large number of new restrictive devices affecting developing-country exports. On the other hand, it is surprising, in light of pressures for even more restrictions, that industrial-country markets have remained as open as they have. The process of negotiating trade liberalization has acted to discipline governments and to limit protective measures to a relatively few categories of manufactured products. Although the Tokyo Round has not actually reduced or eliminated many NTBs already in force, the rigorous application of the new trading rules could have the effect of reducing protectionist activities in the future.

Developing Country Participation in the Tokyo Round

Were the developing countries brought fully into the negotiation process? Third World countries did participate in the talks from the outset. They claim, however, that the industrialized countries negotiated tariff cuts and framed the codes among themselves and then presented the agreements to the developing countries as *faits accompli*. The industrial countries in turn think that most developing countries showed little interest in attending ongoing negotiating sessions on non-tariff barriers except in those areas that affect them directly, such as special and differential treatment clauses in the codes.

There is some truth to both arguments. Clearly the developed countries entered the talks under the assumption that agreements first must be reached among themselves before any bargain could be struck with the developing countries. The issues turned out to be sufficiently complex and politically sensitive that negotiations among Japan, the EEC, and the United States dragged out to the very end, and once a consensus was reached among these countries, very little substantive change was considered possible. Yet the activity of developing countries may have been lulled by their perception that the poor countries would receive nonreciprocal concessions (as in the past) or by the not unwarranted attitude that industrial countries would simply disregard developing-country proposals or demands (again as in the past).

Conclusions

The results of the Tokyo Round appear to be a mixed blessing for the developing countries. These countries were in fact brought into the trade negotiations, but perhaps more emphasis was placed on their responsibilities than on the opportunities available to them. In the United States and other industrialized countries, the absence of public recognition of the market potential the developing countries provide, and the lack of sympathy for the needs and desires of the world's poor countries, resulted in a negotiating and public relations strategy that stressed bringing the developing countries "into the disciplines of the world trading system" more than it emphasized benefits to the developing countries, even though this was one of the two primary goals initially set.

The developing countries certainly will derive some benefits from the generalized reductions in tariffs and from the liberalizing effect of the non-tariff codes. However, the tariff cuts agreed upon are not very deep on products that are currently of major interest to developing countries. To these countries, access to industrial-country markets is a much more significant issue. Although market access depends largely on how the non-tariff codes are framed and enforced, it will in practice be determined by the commitment of developed countries to refrain from introducing restrictive policies both within and outside the GATT rules.

Some would argue that a number of developing countries, particularly the more advanced, should begin to accept more responsibility in the world's trading system as they grow. However, one need only look at the disparities in trade, income, and welfare between rich and poor countries to realize that opportunities must precede responsibilities. For change to occur, countries must come to believe that they have a positive stake in change — that they have a chance to increase their exports and their influence on the management of the system.