

impossible to overcome: these difficulties included the unhappiness of the developing countries with the negotiating process as well as the lack of evident benefits to them from the Uruguay Round; and the deep divides amongst the Quad partners (the United States, the European Union, Japan and Canada) and their preparedness to accept a failure rather than budge on key issues).

*... unintended consequences of the Uruguay Round loom large...*

A deeper understanding of the issues confronting the trade community today requires a look back to the Uruguay Round and some of its unintended consequences. In some views, what emerged from Marrakech was not so much the creation of the framework for a world trade system as the more or less wholly unprepared launching of a project for a single global economy. This pivotal – and unintended – shift was marked by the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), the incorporation of which into the WTO framework opened a Pandora's box of issues for the trade system.

Under the General Agreement on Tariffs and Trade (GATT), an implicit buffer had existed between international and domestic policy space – international regulations might constrain actions of governments but did not dictate the content of domestic rules. TRIPS, by setting out specific requirements for domestic regulation, breached this buffer.

Second, TRIPS established a precedent for using the trade system to deal with non-trade issues that were being addressed less than satisfactorily elsewhere. In the case of intellectual property, the inability of the competent body, the World Intellectual Property Organization (WIPO), to adequately enforce intellectual property rights at a time when trade in knowledge-based products was growing by leaps and bounds led to pressure (mostly from U.S. business) to deal with the problem through the trade system.