

argued that privatization in Latin America has undermined access by the poor to basic services like water. The role of the IMF and World Bank in pushing privatization of public services is also drawing a reaction. It was noted that licensing is an alternative to privatization to enable trade in services and raises different issues: e.g., who controls the rate? Who regulates and how?

In terms of analytical issues, it was noted that, in modeling services, researchers have taken an approach similar to goods in dealing with producer services. However, there is a trickier issue in dealing with services of an "intermediation" nature. Since consumer welfare derives from the product not from the intermediation services associated with acquiring the product, growth of these services does not clearly raise welfare—for example, expanding margins expands measured services trade but reduces consumer welfare.

Finally, it was noted that e-commerce is neither quite on the table, nor quite off the table. It is being dealt with in separate "dedicated sessions" which are examining horizontal linkages. Some of the issues that have been raised include cultural indicators in digitized content.

### *Dispute Settlement*

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#### **Organization of the Negotiations on Dispute Settlement**

Negotiations are based on work started in 1997 and proposals subsequently submitted. Negotiations on modifications are targeted for completion no later than May 2003. The Doha Declaration clearly stipulates that the DSU negotiations are not to be part of the single undertaking.

Negotiation topics are primarily technical procedural matters: 3<sup>rd</sup> party rights, issues related to the submission of *amicus curiae* briefs, countermeasures, and systemic issues on how the panel and Appellate Body processes are to work.

An overarching issue is created by the desire to improve transparency and legitimacy in the eyes of both internal and external observers, but how this is to be accomplished is not so clear.

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