

other unintended consequences of the Uruguay Round: political realism demands that the Round be simplified.⁹

While these perspectives point some to the conclusion that, to re-ignite the Round, the focus will have to be the traditional agenda (including services), it was not clear to others whether a smaller agenda was necessarily the solution. Prior to Seattle, it was pointed out, the built in agenda was seen as inadequately broad to permit a deal. Now people want to simplify! Supporting this latter view, it was argued that business will not support the negotiations unless the Round has something worthwhile at stake—the major corporations are currently more interested in tax than trade; meanwhile the developing countries are more concerned about debt and development than trade.¹⁰ The Doha Round thus finds itself much in the same position as the Uruguay Round: to get somewhere, the negotiations have to become bigger, the package broader. The WTO is in an awkward position unless there are gains to be had for all. It was argued that the resistance to a trade deal does not change whether the deal is big or small, but the extent of support does depend on whether more or less is on the table.

And then, it was pointed out, there is always the Tokyo Round solution of a broad multilateral agreement supplemented by plurilateral agreements. It might be that the Uruguay Round's "single undertaking" is the problem—recall again the notion of unintended consequences. In this vein, it was also observed that there is a little noticed positive trend in countries slowly adopting bits and pieces of WTO requirements without

⁹ Note: the issue here is not necessarily the DSU *per se* nor the fact that WTO agreements "reach inside the border"; rather it is the combination of the two—i.e., agreements that reach inside the border that might be subject to dispute settlement. In this context adding new agreements carries risks of widening the range of potential system frictions.

¹⁰ To some extent, this reflects the extent to which past liberalization has not been fully "digested". Unilateral liberalization by developing countries in the 1980s and 1990s was described as three to four times deeper than that resulting from the GATT/WTO process. At the same time, much of this was carried out under economic duress and pressure from the international financial institutions. This liberalization was accordingly accompanied with contractionary policies that drove up unemployment, making it harder now to continue to liberalize.