

generally extended the MFN tariff to non-members,³⁵ the significant industrial tariff reductions within the GATT of the 1950s and 1960s were already reflected in trade flows between GATT members and non-members by the time the 1970s came around. Countries joining the GATT since the 1970s therefore gained fewer additional benefits beyond those achieved as positive externalities to global trade from the early intra-GATT liberalization.

Second, the findings of positive GATT results for liberalization amongst the industrial countries which constituted the early entrants is broadly consistent with the fact that GATT/WTO liberalization has been ineffective in liberalizing trade in the areas of interest to developing countries who were the later entrants—agriculture and products such as textiles in which they have significant comparative and competitive advantage. The framing of the Doha Round as a “development round” explicitly designed to enhance the ability of developing countries to benefit from multilateral trade in a sense reflected implicitly what Rose’s statistical work reveals.

Third, the decline in apparent trade gains from GATT accession in the 1960s coincides temporarily with the introduction during the Kennedy Round of a generalized tariff preference for developing countries into the framework of the multilateral system; this evolved into the familiar GSP.³⁶ Although the Kennedy Round achieved by far the largest gains in tariff reduction in the history of the GATT up to that time, the gains in trade for new entrants since then has been associated with the GSP. This

³⁵ Thus, China’s massive expansion of trade in the 1980s and 1990s was in the context of the extension of MFN to China by the US in 1979 and by other major trading partners even earlier. China’s major tariff reductions from an average of 35% to about 16% on the eve of WTO entry would also tend to cloud any statistically significant effect on China’s trade from WTO entry.

³⁶ For a discussion of the evolution of the initial measures adopted by the GATT in 1965 into the familiar General System of Preferences, see Bernard M. Hoekman and Michel M. Kostecki, *The Political Economy of the World Trading System: From GATT to WTO* (Oxford: Oxford University Press, 1996), pg 236-238.