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## Conclusion

The TPRM has made much welcome progress since its creation in 1989. The review process enjoys the regular participation of a large and growing number of member countries, whose representatives, given the many competing demands on their time, would surely not devote so much attention to the process if they did not find the results well worth the effort. The published reviews that are the product of the TPRM have matured from what were at first largely descriptive catalogs of countries' protectionist measures into more thorough, incisive, and analytical surveys of trade policies and practices. At the same time they have become more readable and, despite their added information content, more concise and compact. The TPRM has demonstrated itself to be a highly efficient research operation, producing a large and steady volume of reviews each year—almost enough to meet current, although not future, demand—despite limited resources.

But as chapter 4 has shown, challenges and hard choices loom ahead for the TPRM and everyone involved with it. These manifest themselves at three levels: first, in the need for further improvements in the quality and scope of the TPRs themselves; second, in the need for greater resources, both to realize those improvements and to ramp up the production of TPRs in the face of an expanding demand; and third, in an effort to realize the full potential value of TPRs through their more effective dissemination to a broader audience, including academic, business, and other potential users. This concluding chapter, which largely summarizes the assessments made in chapter 4, outlines these challenges and offers some recommendations for meeting them.

## Improving the Reviews

This essay has identified several remaining substantive weaknesses in the published TPRs, the most important of which, in this observer's view, are the following:

- TPRs need to avoid the temptation to focus only on developments of the past few years, and instead take a longer-term historical perspective that puts current policy and recent changes in meaningful context. Reviews (except for the alternating "interim" reviews of the four major trading powers) should be self-contained and fully comprehensible to readers who are familiar with trade issues but have not read previous reviews of the country.
- TPRs should not only report and analyze the likely impact of recently announced or implemented policy reforms but should also comment forthrightly, albeit cautiously, on their credibility and sustainability.
- TPRs need to overcome a bias toward optimism and saying what the country under review would like to hear. That bias is especially manifest in a tendency to perceive liberalizing trends in cases where protection has in fact gotten worse. Some bias is natural given the diplomatic environment in which the TPRM is embedded, but the value of TPRs lies in their frank, objective appraisal of trade policy and practices, not in putting a positive spin on a country's track record in the hope of encouraging further reform.
- TPRs need to pay more attention to the "bottom line": they should make more of an effort to summarize total taxes on imports and calculate the total costs of protection. Only such an analysis can put the various protective measures in proper perspective.
- The extension of multilateral negotiations during and after the Uruguay Round to a much broader range of issues demands that TPRs likewise extend and deepen their analyses into a number of subject areas. More and more consistent analysis of antidumping actions is needed. Also needed is expanded coverage of the growing number of regional and bilateral arrangements, with particular attention to their consistency with and impact on the multilateral trading system; the TPRM should consider dedicating separate reviews to several of the more prominent of these arrangements. More thorough treatment of export promotion treatments is called for, and TPRs should try to report systematically on bribery and corruption as obstacles to trade, investment, and government procurement.
- Some emerging issues pose serious problems at the level of the global trading system as a whole but not necessarily at the level of individual countries, and thus fall through the cracks of the country-oriented

TPRM process. An appropriate means needs to be found, whether through the TPRM or elsewhere within the WTO, to give these issues the attention and analysis they deserve. Among these issues are the glacially slow reduction of protective measures in textiles, clothing, and agriculture, as well as the threat to the Uruguay Round agreement on trade-related investment measures posed by the imminent glut in automobile productive capacity worldwide.

## The Resource Question

As chapter 4 clearly demonstrated, the present resources of the TPRD are barely adequate to its present workload. In the early years of the TPRM's existence, most of the reviews completed were of countries being reviewed for the first time. As time passes, however, an increasing share of the division's present capacity must be devoted to repeat reviews, if the intervals for reviews mandated under the Marrakesh Agreement are to be maintained. The division's capacity would have to be expanded substantially just to continue working down, at the current pace, the existing backlog of countries yet to be reviewed. Yet, at the same time, numerous additional countries are seeking accession to the WTO, some of which would merit being reviewed at four-year intervals. Making the improvements in the reviews suggested above would require increasing the resources available to the TPRD even further.

The question is not whether these resources will be provided, but when and how. Not to provide them would lead to a collapse of the TPRM's ability to fulfill the task set for it in the Marrakesh Agreement. The choice is between an orderly, steady, but rapid expansion of the TPRD's resources, and an erratic, reactive one that adds capacity only when pressures reach the breaking point. The expansion plan proposed here calls for a 25 percent increase in the TPRD's budget for 1998, and perhaps as much more by 2000—possibly more if the proposal to review additional major regional arrangements is adopted by then.

The issue of more resources for the TPRM cannot be separated from the question of increased funding for the WTO as a whole. The organization appears to be broadly underfunded and understaffed for its present tasks (including that of dissemination of the published TPRs, discussed below—a function carried out by a separate WTO division). Member countries should recognize the value of the TPRM and not compel the organization to sustain it by cannibalizing other divisions serving other worthwhile functions—although such a redistribution would be the second-best solution if additional funds are not made available. Another potential use of member-country funds is in the form of technical assistance to the least-developed member countries, to help them undertake their side of the review process. The returns from such assistance accrue

not only to the country receiving the assistance, but to the WTO itself and to the donor countries, in the form of greater understanding of trade policies and greater opportunities for reform in the developing world.

## Improving Dissemination

Even with the proposed increase in resources, the potential value of the TPRM will remain unrealized without improvements in the dissemination of its output. The TPRM was conceived as a means of generating information for use within the narrow circle of WTO officials and representatives of member governments. But information is a public good: once created, it can be made available to others without diminishing its use by those for whom it was originally intended. Many potential users can be identified outside the small trade negotiations community in Geneva: they include political leaders and their advisers in the national capitals, journalists and other writers on trade and business issues, interest groups such as industry associations and labor unions, scholars and research institutes specializing in international economic policy, and individual business managers and their consultants. Getting TPRs into the hands of this wider audience would enhance general understanding of the global state of play in trade policy, including the need for and benefits from continued liberalization, and so serve the ultimate end for which the TPRM was created. Yet today all too few of these potential users even know of the TPRM's existence.

The agreements recently reached with leading commercial publishers (see chapter 3) are an important step that will to a large extent take the burden of improving dissemination off the WTO's shoulders. Commercial agents, after all, have the profit incentive to induce them to market information from TPRs as widely as possible. But the WTO will still have to take the lead in developing an overall dissemination strategy.

A key element of this strategy could be the creation of national committees in key member countries, with the express purpose of identifying opinion leaders and others at whom dissemination efforts should be focused. These individuals could then be sent copies of each new review of their own country and of its principal trade partners; they could also receive copies of the summary and the chairperson's concluding remarks from a selection of reviews of other countries and be allowed to purchase the full review at a nominal price on request. There might also be instances where these opinion leaders should be sent the full report of a country engaged in effective liberalization in an area where their own country maintains excessive protection.

The creation of these committees would require the enlistment of volunteer resources, because the WTO itself lacks the resources to target potentially influential recipients in most of its member countries. It does,

however, have many allies among trade experts and others who might be induced to volunteer to help make dissemination of the WTO's message better aimed and politically more effective.

## **An Advisory Committee for the TPRM**

This essay has recommended a number of improvements in the TPRM, which, if adopted, will require careful and thoughtful planning and coordination in their implementation. Much of the work can be done by the staff of the TPRD itself, but as we have seen, they are already heavily burdened by the day-to-day tasks of preparing TPRs. Guidance will also have to come from the top officials of the WTO and from the current and past chairpersons of the Trade Policy Review Body, as well as other regular participants in the TPRM process.

In addition, the importance of the TPRM to the mission of the WTO as a whole could well justify the creation of a formal outside advisory committee to guide the TPRM in meeting its imminent challenges. Such a committee could be composed of perhaps 8 to 12 distinguished trade policy economists, who would meet perhaps once a year to offer ideas on how to improve the substance, methodology, and presentation of the TPRs and how to make the entire TPRM function better.

The costs of organizing such a committee and compensating its members would amount to a few hundred thousand dollars per year at most. Clearly these costs would have to be weighed against all the other costs that expansion of the TPRM implies. However, the potential value of such a committee in further focusing attention on the TPRM and improving its quality could also add to the political support and practical justification for expanding the program.

As this study has shown, such an expansion is not only justified but indeed necessary if the TPRM is to meet the ambitious goals set out at its creation by the ministers at the Montreal midterm review and confirmed at Marrakesh. Political support for expanded resources is less than certain, however, and may depend on the outcome of the larger debate over the scope and independence of the WTO itself. If the member countries can muster such support, the huge potential value of the TPRM may yet be realized.