4

Assessing the TPRM

How well has the TPRM performed during its relatively brief existence? The answer to this question has several dimensions. One set of issues relates to the substance of the reviews. Do they cover all relevant aspects of a country's trade policy and practices, with sufficient depth and intellectual rigor and without bias? A second set is institutional in nature. Does the TPRD have sufficient resources at its disposal to fulfill its mandate, and is it putting those resources to best use? And is the WTO doing an effective job of disseminating the information generated by the TPRM to all who might find it useful? This chapter begins by addressing several questions relating to the adequacy and scope of analysis of TPRs as a whole before turning to questions relating to their treatment, or lack of treatment, of particular topics and the appropriate overall length of the reviews.[1] It then turns to the institutional issues.

1. This assessment draws extensively on 12 reviews of TPRs published in *The World Economy* as part of two special issues devoted to Global Trade Policy in 1995 and 1996, edited by Sven Arndt and Chris Milner. A third such issue, including six more reviews, is due around November 1997. Each of these 12 review articles covers a single TPR. Nearly all report extremely favorably on the TPR under discussion; many also offer explicit criticisms. Together these criticisms are a valuable source of guidance on how the reviews might be improved. Among the better articles in the 1995 volume is one by Anne Krueger, which reviews not only the 1994 TPR on the United States but also the US trade regime in general so well as to set a high standard for the other reviewers. In the 1996 volume, the article by Ronald Wonnacott on the 1995 Canada TPR is in the same class as Krueger's. Both are rivaled by the article by Jacques Pelkmans and Ana Maria Cazaniga on the 1995 TPR on the European Union. Jan Willem Gunning and George Fane provide excellent critiques of the 1995 TPRs on Zimbabwe and Indonesia, respectively, making telling critical points. Other excellent reviews in the series, notably those by Kym Anderson on Australia, Robert Stern on Japan, and Mordechai E. Kreinin on Israel, contain little or no criticism of the TPRs.

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Substantive Issues

Are TPRs sufficiently rigorous and analytical? Do they probe deeply into the trade regimes of WTO member countries, assessing their overall impact, their costs and their benefits, or do they offer little more than a superficial description of current policies and practices? The report on the TPRM presented at the Singapore ministerial review in December 1996 held that "There is general acceptance that the reviews should be comprehensive, rigorous and analytical. . . . By and large, experience to date suggests that these criteria are being met." Whether the reviews are indeed analytical enough remains open to question, as we shall see, but certainly they are no longer merely descriptive as they tended to be in their early years. Moreover, the analytical element is growing year by year. TPRs sometimes cite quantitative estimates of the impact of nontariff barriers by experts within the country under review, and increasingly they offer detailed assessments of particular features of protective measures or subsidies, while clarifying in a nonquantitative way their impact on consumers, producers, and taxpayers.

Taking a Longer-Term Perspective

If TPRs are to provide adequate analytical depth, however, they must cover a sufficiently long period of time. Often the significance of current policy, or of recent trends and the likelihood of their enduring, can only be judged by scrutinizing the longer record. Yet TPRs have been criticized for taking a snapshot approach, treating a country's trade policy as it exists today, without sufficient analysis of how it has evolved over the years. Many of the *World Economy* reviewers implicitly fault the TPRs on this score, by taking a longer view in their own essays than do the TPRs themselves. The summaries in particular have an annoying emphasis on very recent changes in policy and the economy.

There have been pressures within the Geneva trade bureaucracy against taking a more historical view in TPRs. Partly these pressures stem from the scarcity of resources available to pursue such an analysis; clearly it would be asking a lot of already busy staff members to familiarize themselves with the longer trade policy history of each country under review. But in addition, some countries are not eager to have their past policy aberrations resurrected, and they may have been successful in discouraging reviewers from taking the longer view.

The question becomes thorniest in TPRs of countries that have already been through at least one previous review. Should subsequent reviews cover all the same ground again, or should they focus only on recent changes? To complicate matters, those reviews that date from the earliest years of the TPRM were not written to the same high standard as current

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reviews. In such cases, a comprehensive second review may be unavoidable.

Some of the *World Economy* reviewers are openly uncomfortable with the short time focus of these repeat reviews. For example, Fane (1996) acidly points out that the main focus of most of the 1995 report on Indonesia is on changes over the 1990–94 period, that is, since the previous (1991) TPR on the country. The 1995 report's central finding, namely, that Indonesia has made considerable progress in trade liberalization, would have been much stronger, says Fane, if the report had taken into account the initiatives undertaken by Indonesia in the 1980s.

Pelkmans and Cazaniga (1996) speak of serious biases and inadequacies in the first TPR on the European Union (then still called the European Economic Communities) in 1991, which were only partly overcome in the 1993 report. The latter, despite its great length (437 pages) focuses primarily on changes in the intervening two years. The 1995 EU report, although an improvement over the previous two, still has serious problems, which partly derive from the continued failure to take a long-term perspective.

The TPRD would do well to address this issue by making each TPR a self-contained, complete description and analysis of the trade policy regime as it exists at the time of writing, set against the background of a summary description of changes in that policy over an extended period and of the reasons for those changes. The reader should not be assumed to have any prior knowledge of the country's trade regime. In addition, some discussion of past policies, practices, and trends belongs in each of the chapters summarizing economy-wide and sectoral policies. Probably the best place for such material is in the overview of each chapter.

An exception to the rule of making each TPR a self-contained, self-standing report could apply to alternate reviews of those countries that are reviewed every two years. Indeed, the TPRD already has called for every second review of these four major trading powers to be treated as an "interim" review. These could continue to be less exhaustive reports on developments since the previous review.

Questioning the Credibility and Sustainability of Reforms

Taking a longer historical view inevitably recalls the fact that the trade policy history of many developing countries is one of repeated promises of and attempts at liberalization, followed by partial or even total reversion to past protectionist practices. The issue therefore arises of whether TPRs should openly question the credibility or sustainability of recently introduced or announced reforms in countries with a likelihood of backsliding.

Gunning (1996) argues forcefully that they should. He contends that because liberalization initiatives by many African countries are often

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viewed by outsiders as noncredible, and are indeed often reversed, the issues of credibility and sustainability ought to have been front and center in the 1995 TPR on Zimbabwe. Yet these issues were not raised, and the consequence is that the report "reads like *Hamlet* without the Prince of Denmark" (Gunning 1996, 161). Balasubramanyam (1995) cites the danger of policies being reversed in his review of the 1993 TPR on India, and failure to question the sustainability of reforms is an explicit concern in some of the other *World Economy* reviews.

Credibility and sustainability are particularly salient issues for developing countries, because most have considerable latitude under present multilateral agreements to regress toward greater protection or intervention in markets or to impose new restrictions on foreign exchange. The tariffs of developing countries are typically bound, if at all, at levels far above present levels, and the GATT agreements still in force explicitly allow them to reintroduce quantitative import restrictions or exchange controls when they find themselves in balance of payments difficulties. This is a dubious and self-punishing "benefit" that some developing countries have exploited within the multilateral system since its origins.

Thus, recently introduced trade reforms in developing countries in difficult balance of payments straits, and with a history of heavily reliance on protection, warrant particular skepticism. Moreover, many of these countries lack institutions that are democratic in spirit as well as in name; pro-trade factions in such countries have little leverage with which to hold the government to its trade commitments. Leaders are therefore likely to take expedient policy choices without fear of being held accountable. All of these observations also apply, to a greater or lesser degree, to many countries presently in transition from central planning, or at least those that lack strong and growing links to Western Europe. Because of their presently low incomes per capita as measured by the leading international organizations, most of these countries today qualify for the same exemptions and other special treatment as developing countries.

Yet there are reasons for official trade policy reviewers to think twice before publicly suggesting that a country's reforms lack credibility. One is simply that frankly expressed doubts about the veracity of a member country's claims can quickly sour relations. Another is the danger of a false-positive finding of noncredibility. What if this time the recidivist country really has turned over a new leaf? To declare the new initiative noncredible might in such circumstances prove damaging, even fatal, to the country's sincere efforts. The best course may be to raise doubts softly.

The case of Mexico (discussed in *The World Economy* by Kehoe 1995) during the 1994–95 tequila crisis illustrates the dilemma that reviewers face. Mexico has in effect a six-year spending cycle linked to the presidential term. Each of the three presidents who preceded Carlos Salinas in office sharply devalued the peso toward the end of his term to ease the pressure on the balance of payments caused by increased government

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spending in the run-up to the election. Given the expectations raised by this history, and given the actual pressures on the peso in 1994, Salinas should have devalued similarly, notwithstanding the danger, which Kehoe emphasizes, of undermining the overall credibility of Mexican policies.

The 1993 TPR on Mexico duly reported the sharp increase in imports that had by then already begun, but it also reported without cavil or contradiction the Mexican authorities' contention that these imports were mainly capital goods that would help build the industrial export base with which the corresponding debt would eventually be paid. This may have been wishful thinking, but in the Mexicans' (and the reviewers') defense it was wishful thinking that was widely shared at the time. Nor was the GATT the only international organization to be taken in by arguments that Mexico's current account deficit was sustainable, or at least potentially self-correcting. The crisis that followed argues for giving closer scrutiny to such claims and for being forthright in disputing them, or at least raising doubts where they seem justified.

On the other hand, what is especially noteworthy in this case is that, whatever one might say about Mexico's macroeconomic and exchange rate policies before and during the crisis, trade policy held firm. Mexico did not reverse its earlier, sweeping trade policy reforms. (It did, however, sharply increase its use of antidumping actions, in a manner inconsistent in spirit with its relatively low, uniform tariffs.) Mexico's constancy owed much to the fact that the reforms were to a great extent locked in, through commitments under the North American Free Trade Agreement (NAFTA) as well as within the GATT, and in its bid (since realized) for membership in the Organization for Economic Cooperation and Development (OECD). Yet for whatever reason, Mexico's trade reforms proved credible, even under great duress. Had the 1993 TPR sounded the alarm that the trade reforms were in jeopardy, on the grounds of past reversals and the looming foreign exchange crisis (which it did not in any case foresee), it would have made a possibly destructive error.

Turkey provides a similar example. In late 1993 the coming crisis in both the financial and the real economy was obvious to most disinterested observers. Yet when the crisis broke, the Turkish government, like its Mexican counterpart a year later, held to its liberal trade policy; it also maintained full convertibility of its currency. As in Mexico, external commitments or the prospect of such commitments helped stiffen the authorities' spine: Turkey was determined to consummate its proposed customs union with the European Union and to retain its standing in the OECD and in other international organizations. The price of its firmness was a severe recession, sky-high interest rates, cutbacks in government spending, and a general financial crisis. On the other hand, the outcome would hardly have been better had Turkey resorted to protection and exchange controls. The case of Turkey, like that of Mexico, shows that an unsustain-

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able combination of policies does not necessarily mean that trade policy itself is unsustainable: when push comes to shove, it might not be trade policy that buckles.

Avoiding Bias

The mandate of the TPRM is to review the trade regimes of all WTO members without exception: the large as well as the small, the powerful as well as the weak, those with bewilderingly complex trade regimes as well as those whose policies approximate free trade. Do the reviewers manage to treat all these different countries and regimes fairly and evenhandedly? And does the diplomatic environment in which TPRs are conducted lead to a tendency to treat all countries more gently than they may deserve?

It is arguable that TPRs, or at least the more recent ones, are biased in general toward optimism—toward saying what the country under review would like them to say. In some cases this is not at all a true picture. In particular, many TPRs of developing countries seem overoptimistic about the direction in which policy is headed. Some reports manage to see positive trends and signs of liberalization and reform where none exist, or report greater opening to trade (with less backsliding) than has yet taken place. For example, the initial chapters of most TPRs, on the country's macroeconomic situation and prospects, tend regularly toward overoptimism and often scarcely touch on the economy's worst problems, such as the crisis looming over pension obligations that Brazil cannot meet. The rosiness of TPR assessments may be meant to encourage the country to continue moving in the desired direction, but such cheerleading comes at the expense of accuracy and candor.

The TPR staff often finds itself under considerable pressure from the country under review to give it favorable marks, and less pressure from any other quarter to give out tougher ones. Almost every country tries its hardest to convince the Secretariat that it is embarked on a course of thoroughgoing reform, even if the initiative only got under way when the review questionnaire was received. Meanwhile, as noted in chapter 2, the incentive on the part of other countries to offer sharp criticisms is blunted by a "glass houses" effect: country delegations are well aware that their turn on the firing line will not be long in coming.

The resulting bias toward optimism appears at its worst in those developing countries with a strong protectionist tradition. For example, the 1993 report on India accepts with a straight face the country's decades-long use of its precarious balance of payments as an excuse for maintaining one of the world's most complicated and oppressive protectionist regimes. This bias toward optimism, of course, relates to the issue, discussed above, of the credibility of reforms, and to the failure to take a sufficiently long-term view.

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The 1989 and 1996 TPRs of Morocco provide a clear example of this kind of bias. Anyone who participated in a careful study of that country's policy regime in each year could not have failed to notice an appalling increase in protection, reversing a promising earlier trend toward liberalization. By the mid-1990s, for example, the level of protection on bananas was such that Moroccans had taken to growing them in greenhouses. Yet the 1996 report, rather than call attention to this reversal, speaks only of the overall trend from the early 1980s, which it describes as positive.

One does not need to be an expert on Morocco to detect the rise in protection that the 1996 TPR missed: the facts that undercut the TPR's rosy scenario can be found in the reports themselves. For example, the 1996 report briefly refers to a 15 percent fiscal levy that applies to practically all imports; this same fiscal levy, we find in the 1989 report, had been introduced in 1988 at a level of 12.5 percent, replacing a stamp duty and a special import tax with the same combined impact. More broadly, on top of the 15 percent levy in 1995 was an array of nominal tariff rates that averaged 23.5 percent, plus another 0.25 percent tax on imports, not to mention various nontariff measures and some impenetrable agricultural barriers being tariffed at astronomical rates. In addition, the reference prices to which import duties were applied on various items were artificially high, in effect raising duties even further. By comparison, according to the 1989 TPR, Morocco's tariffs ranged from only 2.5 up to a maximum of 45 percent (the latter down sharply from levels of 100 percent in 1984 and 400 percent in 1982). The 1989 report did not report an average tariff, but it did note that actual revenue from customs duties in 1988 amounted only to 9 percent of the value of imports. This was presumably well below the average nominal tariff, but simple arithmetic suggests that the combined average tariff rose from perhaps 25 percent in 1989 to over 38.8 percent in 1996, reversing the downward trend of the 1980s.

The bias toward optimism may be worst in the assessment of countries with strong protectionist legacies, but it is also present in those countries where liberalization is proceeding apace but remains some distance from its ultimate goal. TPRs invariably applaud developing countries that implement uniform tariffs on the order of 10 to 15 percent, or establish tariff ranges of, say, 5 to 35 percent. Where such tariffs represent a substantial reduction, praise is indeed in order, but TPRs would be justified in also expressing skepticism about whether tariffs that remain at such levels will in fact promote development. Even a 10 percent duty on imported inputs is likely to thwart the growth of manufactured exports built on such inputs. Such tariffs leave a country far from the virtual free trade regime that has brought such prosperity to Hong Kong and Singapore, and is now doing the same for Estonia and other countries. It is unfortunate, then, that TPRs seldom remark on the distance yet to be traveled.

To take but one example, the 1991 TPR on Chile was generous in complimenting the country's progress toward liberalization. But Chile's

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embrace of free trade remained less than complete. Had Chile really opened up, its many engineers and skilled workers and its disciplined workforce of unskilled workers would surely have propelled it into the ranks of fast-growing manufactures exporters, despite its remote location and its abundant mineral resources. The resulting increase in the demand for labor would also have improved the distribution of income. As it is, drawback has not worked satisfactorily.

The TPRs of the largest trading powers often lack sufficient toughness as well, instead broadly conveying the picture that these countries would like to see painted of themselves. No TPR ever says, for example, that EU trade policies are far too complicated and too much influenced by the initial protective policies of France, Germany, and Italy, or that the EU bureaucracy is something of a monster even when measured against its US counterpart, or that the member countries are still finding coordination of their national policies extremely difficult, to the frustration of would-be traders within and without the Union. The severity of treatment given to a country, it seems, depends somewhat on its international clout.

In her review of the 1994 TPR on the United States, Krueger (1995, p. 77) finds insufficient attention to a worrying tendency toward unilateral demands for market opening, increased reliance on antidumping actions and countervailing duties, and a variety of other departures from open, multilaterally sanctioned practices. In fact, the United States leads the world both in its resort to antidumping procedures and in its imposition of countervailing duties, and its Section 301 and related measures remain at best inconsistent with the usual view of multilateralism. Together with the disturbing potential for trade diversion threatened by the NAFTA, these tendencies provide grounds to question (which the TPR does not) the US claim to be the world's most open economy. If the United States still merits that title, it may have more to do with its abundance of efficient retailing and importing firms and its highly efficient distribution system than the efforts of the authorities in Washington.

Echoing Krueger's critique, some trade diplomats have told this author that they felt that the United States got away with very light treatment in its 1996 review. Some important negative aspects of US trade policy, notably its use of subsidies, were largely glossed over. The diplomats attributed this treatment either to the reorganization of the reports or to the fact that the US report was written behind schedule because of alleged US delays in cooperation.

On the other hand, it is not impossible to find TPRs that are well balanced in their dispensation of criticism and praise, and some are frankly tough. For example, Brazil's delegates to the WTO feel that their 1996 review was much tougher than that of the United States that same year. Given that Brazil's trade regime is by far the more interventionist of the two, this is a hard call to make. The Japanese have not been gently treated either: TPRs routinely note the country's almost impenetrable distribution

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system, its myriad and only slowly disappearing regulations, its stringent sanitary and phytosanitary controls, and its idiosyncratic competition policy. But one could argue the case that these same flaws are criticized more harshly in the reviews of Japan than in those of European countries with rather similar shortcomings, such as Sweden and Switzerland.

Analyzing the Costs of Protection

As Jeffrey Schott has noted (1994), TPRs do little to analyze the costs of protection, either with respect to individual measures or for the whole panoply of a country's trade policy. Putting a figure on the economic cost of maintaining protection would be useful in promoting the domestic policy debate. It would also help to put the various protective measures identified in proper perspective: at times an exhaustive listing of measures that fail to meet a country's obligations in a legal sense obscures the issue of what is economically most desirable. Hufbauer and Elliott (1994) offer a model of how such an analysis of the costs of protection might be conducted in the case of the United States. In the same context, Schott (1994) also criticizes TPRs for neglecting to propose alternative approaches or adjustment measures that could be deployed instead of trade restraints.

Breadth of Coverage

TPRs already cover a wide and diverse range of barriers to trade, including (since 1995) all the subject areas that came into the purview of multilateral trade negotiations during the Uruguay Round: trade in services, foreign investment, government procurement, intellectual property protection, and competition (antimonopoly) policy. However, on these newer subjects the treatment tends to remain descriptive and often shallow. But the reviews remain silent on some aspects of trade policy, or at least do not cover them consistently in all reviews. Others are not analyzed as extensively or as probingly as their importance warrants. TPRs also face the challenge of keeping up with the aftermath of the Uruguay Round, which has seen negotiations on information technology, telecommunications, financial services, and shipping. This section identifies a selection of specific topics on which the analysis in TPRs may be incomplete, weak, or absent.

Temporary and Irregular Tariff-Like Measures

Although TPRs treat tariffs thoroughly and systematically, they tend to pass over too quickly the matter of taxes or surtaxes on imports that either are designated as temporary or fall outside the regular tariff structure. These tariff-like measures often constitute a large share of the total tax

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burden on imports. The case of Morocco's 15 percent fiscal levy and its use of reference prices, described above, provides an example.

Antidumping

TPRs usually pay considerable attention to antidumping policies, but they seldom report on the sectoral and country incidence of antidumping actions or on recent trends in their use. More consistency is also needed in presenting information on antidumping actions in different countries. Pelkmans and Cazaniga (1996) point out that the 1995 TPR on the European Union fails to provide information about the incidence of EU antidumping actions, and they cite interesting recent trends away from previous patterns. Together with a similar criticism by Krueger of the 1994 TPR on the United States, this observation could be developed into a general criticism that TPRs are not thorough, consistent, or forceful enough in their treatment of antidumping actions.

This deficiency could become all the more serious now that the United States and the European Union have entered into a sort of "unholy alliance" not to criticize each other's antidumping actions in their public statements on each other's trade policy regimes. It can be argued that antidumping has become a substitute for "voluntary" export restrictions and other quantitative restrictions, and is now a major problem in trade policy at the global level. Many expert observers consider antidumping the most serious US protective device and rank it high in the European arsenal as well. If the United States and the European Union maintain their unholy alliance and continue to refrain from criticizing each other's antidumping activities, more thorough treatment of this topic in TPRs will become indispensable.

Regional and Bilateral Arrangements

Another issue deserving greater scrutiny in TPRs is that of member countries' involvement in regional and bilateral trade arrangements. According to the WTO's 1996 *Annual Report*, some 88 such arrangements have so far been notified to the organization. More may be on the way, and many of those already in existence are both broadening their membership and deepening their ties.

Commitments under bilateral and regional schemes may be at odds with the participants' multilateral commitments. Indeed, in at least one case (the NAFTA), national legislation (in this case that of the United States) requires the country's regional commitments to prevail over its multilateral commitments. One of the challenges in freeing trade worldwide is to keep these arrangements from developing in ways that raise new barriers against outsiders and from disrupting the larger process of trade liberalization through the WTO.

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The TPRM already provides regular reviews of one of the largest and furthest developed of the world's regional economic groupings: the European Union. The many dimensions of this ever-deepening economic alliance bestow special treatment not only on members but also on Mediterranean and Eastern European "associate" countries and former colonies. Like other industrial countries, the European Union has in place trade preference schemes giving duty-free treatment to the world's poorest and most underdeveloped countries. These features raise concerns about diversion of trade. Although the relatively low EU tariffs cause only limited trade diversion, the group's many quantitative measures and subsidies to domestic producers are of concern to nonmembers, including associates getting smaller benefits.

TPRs regularly try to report on all of these; in fact, they are one reason why TPRs on the European Union are among the longest and most detailed of all. As noted in chapter 3, another regional arrangement, the South African Customs Union, is being reviewed for the first time in 1997. Yet many other important groups are not covered in dedicated TPRs, but are instead discussed only within the reviews of their individual members. And few of these TPRs indicate systematically where involvement in regional arrangements is creating problems for the country under review; most merely catalog or at most describe the agreements into which the country has entered. TPRs should do a more consistent and thorough job of describing and analyzing conflicts and potential conflicts in these arrangements.

Moreover, sometimes the judgments offered in TPRs on the importance of such agreements are wide of the mark. For example, Gunning (1996) criticizes the 1995 review of Zimbabwe for treating the PTA as more important than it is—it is "not a serious organization," according to Gunning—while paying far too little attention to Zimbabwe's bilateral textile agreement with South Africa. The failure to renew the latter agreement when it recently lapsed caused serious dislocations in Zimbabwe.

The WTO should consider devoting full reviews to certain other important regional groupings as they extend and consolidate themselves. The North American Free Trade Area is a prime candidate. Mercosur (an arrangement among a group of South American countries headed by Brazil and Argentina) and the Andean Common Market are others, although progress toward a Free Trade Area of the Americas might someday allow all these arrangements to be subsumed within a single review. The 1995 review of Canada notes that the NAFTA contains rules of origin in industries such as motor vehicles and textiles that pose new barriers, diverting trade away from nonmembers, in a manner contrary to WTO rules for regional schemes. Wonnacott (1996) argues that the NAFTA's side agreements on labor and environmental standards might also become new instruments of protection. Meanwhile Mercosur retains

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some major inward-looking features favoring Brazilian automobiles and capital goods.

Wonnacott also warns of the danger of important inconsistencies arising as countries enter into numerous bilateral and regional agreements. "Spoke-and-wheel" arrangements might result, as a country that is the hub of one agreement finds itself at the periphery of another, and the agreements may not be consistent. He notes that the 1995 TPR of Canada only briefly mentions this issue and suggests that the Ottawa authorities examine its implications more critically.

Consideration should also be given to assessing the progress of the Asia Pacific Economic Cooperation (APEC) member countries toward the targets announced in their 1994 declaration at Bogor, Indonesia. The exact meaning of these targets is not yet uniformly interpreted, and each country is drawing up its own list of measures to be taken. Yet the sheer size of any potential free trade arrangement among the APEC members—which include most of the countries of the Pacific Rim and East Asia, including the NAFTA countries—demands that any significant steps taken within the APEC initiative be closely scrutinized. Certainly reviews of the APEC members individually should pay close attention to their APEC-related activities; they could also systematically monitor their progress toward specific Bogor targets. Meanwhile the members of the Association of South East Asian Nations (ASEAN), most of which are APEC members, are moving toward their own regional free trade arrangement (to be known as ASLAN). Assessment of their progress, whether provided within individual country reviews or in a separate review for the arrangement as a whole, is called for, although the exceptions named by each nation in advance of the collective action date would make this difficult.

By treating systematically the targets identified and the progress made under these and other regional arrangements, TPRs could help to link these initiatives to the member countries' participation in the WTO. Attention to these regional arrangements could prove a healthy offset to the tendency for regional and multilateral obligations to become separated.

Export Promotion

Nearly all TPRs provide less than full treatment of measures directly affecting exports. The reviews do discuss countries' barriers to exports—their export taxes and prohibitions and restrictive licensing—as well as their export subsidies in place. But the reviews show almost no interest or sophistication in discussing other forms of positive assistance to exports. These include exemption and drawback schemes, export promotion and marketing assistance, promotion of export-oriented foreign investment, rebates of value-added taxes to exporters, export financing, export guarantees and insurance, cost-sharing grant schemes, and official assistance

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to export firms in such areas as standards, productivity, quality control, and competitiveness. Some of these topics are treated superficially in TPRs; others are ignored. The primary reason for this omission seems to be that whereas the WTO is legally obliged to consider subsidies and trade barriers, it is under no such obligation to look at positive measures toward exports.

Hampering efforts to review export-favoring activities is the fact that relatively little has been written anywhere to guide officials in the design of sound policy in these areas. But export expansion initiatives are an integral part of trade policy, and therefore the TPRD needs to improve its ability to recognize and report schemes that are, or are not, working.

Exemption and drawback schemes for imported inputs into exports, in particular, require greater scrutiny. These schemes are seldom reported in TPRs. Often the reviews do not even note whether exporters benefit from duty drawback or the equivalent. (Free trade treatment of exports is allowed in every country under world trade rules, but not all achieve systems that work well.) Where they do, they usually say nothing about how drawback is administered or whether the scheme is working well. Such schemes have proved difficult to administer effectively, especially in developing countries. TPRs would perform a useful service if they identified and described those schemes that have proved more successful than others. Beyond that, TPRs could provide an explicit description of the systems to provide exporters free trade treatment in each country under review. They should also evaluate how well the systems are functioning and, if the information can easily be obtained, break this evaluation down by type of exporter. Whether specialized exporters are able to get their value-added tax rebates expeditiously is another question of interest.

The effectiveness of institutions involved in export promotion and export marketing assistance is another question on which TPRs could usefully comment, especially with regard to developing countries, where such efforts are often just beginning. The TPR should at a minimum identify the primary agency responsible for export promotion. Unfortunately, the treatment provided in the 1996 review of the Dominican Republic is fairly typical: six organizations are listed, in no particular order, as involved in promoting exports. Most of these are private organizations such as chambers of commerce or industry and other business groups. The primary public export promotion organization is on the list, but its leadership role is not pointed out, nor is anything said about the effectiveness of any of these organizations, singly or in concert. In fact they have attracted few investors to the country and have done little to develop exports outside the country's duty-free export processing zones, which do their own investment promotion. Similarly, nothing is said in the review—or in the reviews of Costa Rica (1995) and El Salvador (1996)—about the change in US policy in 1993 that required the US Agency for International Development (USAID) to withdraw its support

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for the main investment and export promotion agencies in these countries. USAID had until then paid the entire budgets of these agencies, and its withdrawal has left them orphaned without adequate funding.

Corruption

Because bribery and corruption are important de facto trade barriers in many countries, TPRs ought to report on corrupt practices in a systematic way. Especially in developing countries, official corruption is a major deterrent not only to trade but also to foreign investment, and it can severely impede access to government procurement opportunities. This is admittedly a highly sensitive topic, but reviews can use guarded language and standard diplomatic euphemisms—"excessive discretionary power," "improper and arbitrary procedures," and the like—when getting down to particulars. Readers will pick up the message where these phrases appear in a likely context, such as discussions of customs procedures. Now that the OECD has reached a common policy against paying bribes, and other international organizations such as the World Bank are speaking plainly about corruption, TPR reviewers should feel more confident in broaching this issue.

One can find subtle, well-disguised references to corruption in some TPRs, but the impression given is that the reviewers do not yet consider themselves at liberty to refer to the subject openly. Another problem that impedes a thorough airing of this issue is the lack of reliable information on the presence and extent of corruption in various countries.

Global Problems

Several of the issues raised under this heading point to an inherent shortcoming of the TPR genre: reports that are focused on a single country, or even a group of countries, find it hard to deal effectively with problems that are global in nature. Several current problems in international trade are not disastrously serious for any one country, yet represent major challenges for the world trading system. Some means of reporting on these problems that is as authoritative, as objective, and—a key point—as persistent as the regularly scheduled country reviews in the TPRM is needed.

One such problem is the elimination of the Multi-Fiber Arrangement and the worldwide system of bilateral quotas in textiles and clothing. Although part of the Uruguay Round agreement was a commitment to get rid of these quotas by 2004, almost none of the industrial countries has taken even a first step in that direction to date. Regular, close surveillance by the WTO of progress in this area may be what is needed to prod countries to action.

Another problem that needs watching is the ongoing trend toward a glut in worldwide capacity of motor vehicle production, and the policies that are feeding that trend. *The Economist* (The Coming Car Crash: Global

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Pile-Up, 10 May 1997, 21–23) has asserted that, under the present investment plans of the world's automakers, world production capacity will grow by some 12 million vehicles in the next three or four years. Most of this capacity will be located in Latin America and Asia, under conditions of disguised or open protection and subsidization, in countries that cannot hope to compete head on with the leading industrial countries. The rules adopted in the Uruguay Round on trade-related investment measures are unlikely to hold in this industry as the glut materializes. Yet the argument that rules have been set to eliminate the most serious of the subsidies within five years seems to be keeping the TPRs on the relevant countries from issuing sharp comments.

A third problem is the high agricultural tariffs that countries will take with them into the WTO bargaining round that is scheduled to begin in 1999. The tariffication of quantitative measures in agriculture at the end of the Uruguay Round was a horror show that gave most nations room to create tariffs ranging from 150 percent to several hundred percent. These astronomical tariffs were rarely justified by the previous protective regime, which in many cases raised prices by no more than 10 to 20 percent, and not at all in some years. Instead these tariffs are the bitter harvest of a failure to deal firmly with agricultural protection during the first several decades of the GATT's existence. Because of the special nature of food production and the political sensitivities related to the long-term decline in the agricultural work force, agriculture was long treated in the GATT as an exception to the rules. Subsidies and quantitative restrictions flourished, until ultimately the only way to remove them was through tariffication at the absurdly high levels we are now witnessing—levels that could take 20 to 30 years to bargain down.

TPRs do not always point out this bias toward high tariffs inherent in the tariffication procedure and the choice of base years. Fane (1996) notes this as a shortcoming in the 1995 TPR on Indonesia, but it applies to others as well. Nor do TPRs adequately explain the alternatives offered with respect to tariffication under the Uruguay Round agreements.

The Length of Reviews

The obvious danger of extending the reach of TPRs into these and other dimensions of policy is that of generating a report that is too long to serve as a useful, balanced, readable summary of trade policies and practices. As chapter 2 noted, the average length of TPRs has been cut substantially—but on the whole skillfully—since the TPRD hired an editor in 1994. But some reports are still too long. This is not the fault of the reviewers; it is simply not feasible to describe the full trade policy regime in countries where that regime is extremely complex, inconsistent, or irrational. One cannot hope to fully untangle the mutually inconsistent poli-

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cies and practices that often arise from a diversity of competing interests and the frequent need to make political compromises.

The best reviews, at least from the perspective of readability, are almost always those of countries with clear-cut, consistent, and predominantly liberal policies. The 1991 review of Chile is a good example: it is easier to read and comprehend than many of the reviews of other countries done in more recent years, despite the global improvement in the readability of reviews over that period. The trade regimes of small countries with high levels of protection for a few industries, like Mauritius, can also usually be summarized in a report of manageable size.

At the other extreme is the European Union. Although the EU trade regime is a relatively open one, it is also one of the most complex in the world. It is exceeded in its complexity perhaps only by the much more protectionist regime of India and by the actual trading policies and practices of China, which unlike the other two are nowhere properly codified or regulated—a fact that largely accounts for the resistance China has encountered in its bid to join the WTO.

There is so much to cover with respect to the many dimensions of EU trade policy that the 1995 TPR had to be aggressively condensed just to get it down to 326 pages (of which the Secretariat's report takes up 202 pages). Even so, there exist, as Pelkmans and Cazaniga (1996) point out, numerous omissions and an overall lack of historical depth. The central chapter on "Trade Policy and Practices by Measure," which takes up 40 to 60 pages in most TPRs, has been compressed to a mere 28 in this report. The whole system of tariffs, other charges on imports, variable levies for major agricultural products, support and intervention prices for perishable fruits and vegetables (which vary by country and season), and all the other details of the main apparatus governing imports are covered in little more than three pages of text, including copious footnotes. The discussion of quantitative restrictions, trade controls, surveillance measures, trade sanctions, trade defense instruments, and antidumping and countervailing duty policy takes up a mere eight pages. The review says very little about the remaining divergent policy measures of the member countries, or about the problems associated with administering and coordinating trade and trade-related policies from Brussels. Much discussion of the context of EU trade policy has also had to be jettisoned to keep the report to manageable size, with the result that much of the report can only be understood by readers with a strong background in the subject. For all its flaws, however, the 1995 TPR is a far better review of EU trade policy than, for example, the first review of the European Economic Communities in 1991.

The complexity of the trade regime is again an obstacle to clear exposition in the 1995 TPR on Costa Rica. Here the problem is that the country's many interventions in the direction of a welfare state, together with its price controls, extensive regulation, free trade agreements with other

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countries, and large fiscal deficit, all interact in complex ways with the intended trade policy regime. Thus there is almost always a mixed motive behind any given policy or practice, so that the government's intent is blurred with respect to trade policy per se or counteracted by social welfare or other objectives. The TPR on Costa Rica, although on the whole a good review, is insufficiently frank in spelling out the implications of this persistent tendency to pursue inconsistent macroeconomic, trade, and social policies.

Côte d'Ivoire is another country where the objectives and instruments of trade policy up and down the line are too muddled, irrational, and inconsistent, pursuing too many conflicting objectives and special interests, to be described coherently. The 1995 TPR on Côte d'Ivoire is full of useful nuggets of information that give a sense of this chaotic reality. However, it lacks a description of several problems that, in 1990, drove this author and a colleague to exasperation while trying to suggest ways to increase the country's trade and improve the economy's overall performance. Wholesale evasion of the value-added tax combined then with strong import barriers to produce a thriving informal sector, in which many businesses continued to do well while practically all the law-abiding, European-owned businesses—including many export firms—were being strangled.

It seems improbable that the TPR's silence on this topic means that these problems have been overcome. A more likely explanation is that the reviewers did not look for them—that they did not ask the exporters of manufactured and processed goods how they were faring and what their problems were. But in so complicated and disorderly an environment, one can hardly expect a few outside observers to catalog all the extant irrationalities and inconsistencies in the trade regime.

Institutional Issues

Resources

The changes proposed here in the way TPRs are conducted tend mostly in the direction of deeper and more comprehensive analysis of a wider range of topics. If these proposals are adopted, the question immediately arises as to whether the resources of the TPRD will need to be augmented to meet the increased burden. As this section will show, the division's resources are already under strain, and an increasing annual workload makes it likely that an expansion of those resources would be needed just to maintain production of TPRs in their present form, even before any improvements in their depth of analysis or scope of coverage.

The TPRD presently has slots for 17 professional economists: 13 in non-supervisory positions plus the director and 3 deputies. The division has a

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total of 27 positions at all levels. Its budget is only 6 percent of that for the WTO as a whole, and its staff number some 10 percent of the WTO's total (Appendix C). Moreover, because of frequent losses of personnel, not all positions are filled at any one time.

The division's present output appears cost-efficient by any reasonable standard. The current rate of production is about 15 TPRs per year, equivalent to more than one review per nonsupervisory staff economist per year. With some professional staff positions typically unfilled at any given time, the actual rate of output is somewhat higher. Each review also absorbs perhaps 15 to 20 percent of the time of the principal writer's immediate supervisor (one of the deputy directors); there is also relatively brief involvement on each TPR by the editor, plus support from the staff assistants.

By comparison, World Bank reports of similar scope and complexity are almost always produced by a team of specialists and might require 20 to 30 months of higher-level staff time, and sometimes more, to accomplish all the coordination, standardization, review, editing, and approval involved in their preparation. The International Monetary Fund operates on a similar basis. The productivity of TPRs also compares favorably with that of university research, which like the TPRD's work is typically conducted on an individual rather than a team basis. University research seldom attains an output of more than one volume per professor per year, except where there is extensive participation by research assistants.

Similarly, at the International Finance Corporation (IFC), an affiliate of the World Bank Group, most projects are managed by a single investment officer, working alone or with a specialist engineer. A typical IFC department completes no more than one project per member of its professional staff per year. Although the documentation associated with such projects usually amounts to less than that in a TPR, the IFC investment officer also has to spend time looking for suitable projects, negotiating the deal, and coordinating the inputs of specialists. There is, of course, a project review and approval process involving senior officials as well as specialists in the relevant disciplines. But even so the IFC's is a highly streamlined system by World Bank Group standards.

It is worth mentioning in this context that the production of TPRs also demands considerable versatility on the part of the TPRD's professional staff. Every economist in the division must be conversant with all the multiple topics covered in a review. He or she also spends time interacting with legal and diplomatic specialists within the WTO to get their interpretations of the laws, regulations, agreements, and obligations of the country under review, even when these are not major focuses of the report. The suggestions made above for improving the reviews, for example, by the inclusion of more historical background in each chapter, would only increase the versatility demanded of the TPRD staff.

In contrast, the World Bank seldom expects its staff members to be as versatile as the TPRD economists must be. Most Bank reports on individ-

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ual countries have a narrower focus, and the staff member assigned the role of country economist for one of the member countries has plenty of help: for example, there is almost always a country officer responsible for the less economic aspects of the relationship with the country.

The stresses of the TPRD's heavy volume of highly demanding work have taken their toll: staff turnover has been high. Also contributing to the high rate of turnover is the fact that salaries are quite low for an international organization. Pay scales and time in grade required for promotion are rigid. The rapid turnover and the unfilled positions create much additional work for supervisors in training new staff and make the existing staff feel even more overworked. And inevitably, losses over the course of time include many of the best staff, including supervisors.

In short, at its present level of output—a level that compares favorably in terms of productivity with that of similar organizations—the TPRD's capacity is strained. Yet the division's obligations can only be expected to increase over the next few years, even without the improvements in the reviews proposed here. Meeting the commitments built into the Marrakesh Agreement will require repeat reviews each year of two of the four largest trading powers and (on average) of 4 of the 16 countries that are on four-year intervals. In addition, repeat reviews of the countries on six-year schedules that were reviewed during 1992–94 would call for another three to six reviews each year during 1998–2000, for a total of 10 to 12 repeat reviews per year. Putting all these repeat reviews on the agenda leaves room, given present capacity, for only three to five first-time reviews of countries per year. Even at the higher figure, it would take at least 12 years for the process to work its way through the 62 member countries yet to be reviewed.

Moreover, as noted in chapter 2, some 30 additional countries have applied for WTO membership. Some of these countries would have to be reviewed every four years, starting as soon as possible, and one applicant (China) may well merit biennial review not long after its accession. The addition of these countries to the TPRM agenda would eventually reduce the number of countries that could be subjected to first-time review to perhaps as few as two per year. Such a reduced pace of new reviews would be far from sufficient to meet the demand, especially if a considerable number of countries are able to get technical assistance in meeting their requirements in the review process. In any case, a number of the smaller applicants, especially those from Central and Eastern Europe, would be entering with sufficient technical capacity to be able to engage in the review process immediately and without assistance, and there is evidence that they would indeed like to do so.

One way to mitigate the impending crunch might be to increase the intervals between reviews. The United States at one point proposed increasing the intervals for review of the four largest trading powers from two to three years. However, this proposal was emphatically rejected by

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the other members, which suggests that there is little interest in attacking the problem from this direction.

Another alternative to expanding the internal resources of the TPRD might be to hire outside experts or research institutes as consultants. The WTO could contract out the preparation of some TPRs to such individuals or organizations, or call on them to contribute additional analytical depth, country background, or historical perspective to reviews produced mainly in-house. Besides potentially alleviating the pressures on an already overworked staff, contracting out offers the additional advantage that the best experts in a given field or on a given country could be recruited to contribute to TPRs.

But the use of outsiders also has its disadvantages. First, it is extremely difficult for any international organization to make cost-effective use of consultants in such a core task as the review of trade policy is within the WTO. Outsiders will be unfamiliar with what is expected, leading to high start-up costs as they negotiate the learning curve. Contracts for intellectual products such as reports on trade policy are by nature difficult to specify, and first-time consultants may produce material that is quite different in form and substance from what is expected, even to the point of being unusable. Consultants who are specialists in a particular field might tend to emphasize their favored topic at the expense of balance and comprehensiveness. Even after an efficient working arrangement has been established, management and coordination of the consulting relationship are sure to take up much of the time of regular staff. Outside suppliers sometimes also take deadlines less seriously than do in-house staff.

Another concern is that consultants drawn from outside the diplomatic environment of the WTO may be more forceful and frank in their judgments than the Secretariat or the member countries would like. Although, as noted above, the TPRM seems to be moving in the direction of more outspoken criticism of trade barriers, the use of consultants might accelerate this trend beyond what the trade negotiations community would choose if left to its own devices.

Finally, although the use of consultants would almost certainly add to the costs of the review process, it would do little to strengthen the permanent civil service of the WTO.

For these reasons the WTO should avoid any regular reliance on outside consultants, at least for the writing of entire reviews. Exceptions might be made where the would-be consultant is a former staff member of the TPRD and thus has recent experience in writing TPRs from start to finish, from the inside of the process. A more cost-effective use of consultants would be as participants in a guidance committee for the TPRM (as proposed in chapter 5).

Up to now the question of whether greater reliance on consultants would benefit the trade review process has been moot: there has been resistance to bringing outsiders into the TPRM in any role. For example,

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although some member countries have proposed enlisting outside experts on the country under review, or at least former rather than current trade agreement negotiators, as expert commentators at the review meeting, this proposal has been easily voted down. One prominent outsider (a reporter at the *Journal of Commerce*) regularly presses for an outside chairperson as well as outside discussants—an even less likely prospect given the current preferences of the membership. Even so, TPRs are moving, albeit slowly, in the directions suggested, largely because of pressures from the community of trade delegations to appoint good chairpersons and discussants and to raise the analytical quality of TPRs, and as the TPRD itself moves gradually into more controversial areas and makes more forceful statements.

Even without drastic changes in the present TPRs, and assuming that trained TPRD staff, rather than consultants, continue to be seen as the most efficient means of turning out additional reviews, raising the number of TPRs produced per year to meet the pent-up actual and potential demand presents a major challenge to the organization. That challenge will be even greater if the Secretariat and the TPRD accept the need for the improvements in quality and expansion of scope of TPRs proposed here. The number of positions in the TPRD and its budget for investigating trade policies and practices will have to be expanded, and this should be done in a systematic and coordinated way. An increase of 25 percent in the TPRD's budget for 1998, and perhaps as much as 50 percent compared to the present level by 2000, appears justified, even if the proposal to review additional major regional arrangements is not adopted by then.

The need for more resources for the TPRD presents the WTO with a dilemma. If the total resources of the organization are not increased commensurately, any increase in funding for the TPRD will have to come at the expense of other divisions. The WTO could instead ask its membership for an increase in its total funding to meet an expanded TPRD budget. But this ultimately comes down to a political decision for the WTO Secretariat and the member countries about the optimal size and degree of independence of the WTO itself. The WTO as a whole appears to be understaffed and underbudgeted for its present tasks, and the reluctance of the major powers to relieve these shortages suggests a deep distrust of the new organization. Perhaps the problem is a circular one, in which the TPRD, and the WTO generally, must earn its spurs by proving its worth, yet cannot demonstrate that worth without adequate resources in hand. In any case, the issue of more resources for the TPRD cannot be entirely separated from the issue of resources for the WTO as a whole. Resolution of the problem may have to await the accession of more countries and/or a major external program of technical assistance through TPRs to the least-developed members.

There is increasing recognition that TPRs are an excellent form of technical assistance for a developing or a transition country. Potential aid donors looking for constructive uses for their technical assistance funds

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are likely to see assistance to the TPRM as something from which everyone concerned can benefit. Other WTO members are eager to get more and better information about the trade policies of countries not yet covered by TPRs or by the US National Trade Estimates. Technical assistance from outside the WTO may thus be at least part of the answer to the resources question.

Scheduling

This essay has found little that needs to be done urgently to improve the TPRM process, as distinct from the product (the TPRs themselves), its resources, and its dissemination. As noted in chapter 3, the process is generally considered by insiders to have improved over the years and to be working well. One procedural reform that would help avoid the bunching of reviews at the end of the year would be to institute a continuous, rolling process of scheduling new reviews, at least two years in advance, eliminating the current practice of setting the schedule in January for the entire year. At the other end of the process, one way to mitigate the recurrent delays in the publication of TPRs would be to publish the minutes of the review meeting as a separate series. It is usually the editing of the minutes that holds up the rest of the report.

Dissemination

Even with a sufficient increase in resources, the full value of the many improvements in the TPRM proposed here will remain unrealized without improvements in the dissemination of TPRs. The limited dissemination, discussed in chapter 3, of TPRs and their findings has been a major disappointment to those within the WTO and elsewhere who had hoped that the launch of the TPRM would influence the debate on trade policy and practices far beyond the diplomatic circles in Geneva. So far TPRs have been used mainly by insiders in the trade negotiations process, and especially by the country delegations themselves. Benefits to readers beyond this inner circle tend to be seen as spillovers. Yet this view seriously underrates the reviews' potential importance in influencing experts and opinion leaders within the countries subject to review, and in turning trade policy in countries around the world in a more liberal direction.

Distribution and dissemination of TPRs are the responsibility not of the TPRD but of the External Relations Division of the WTO. This division, of course, has many other responsibilities and, like the TPRD, a limited budget. The division does not seem to have been given a clear objective to convince the world of the value of the WTO, let alone of the TPRM. It does not yet try to use the TPRs systematically to influence policymakers in the member countries and beyond.

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A more proactive approach to dissemination might include sending TPRs, or summaries thereof, accompanied by the chairperson's remarks, to prominent journalists and other writers on business, trade, and politics; to leaders of trade and industry associations, chambers of commerce, and labor organizations; to trade experts and lobbyists; and to political leaders and their advisers. Obviously the first TPR to send would be the one on the home country, but reviews of major trading partners might respond to a need as well and, if those partners are seen to be successfully liberalizing, might stimulate the demonstration effect suggested in chapter 2. This effort might be supplemented by the creation of national committees in each member country, who would be asked to identify opinion leaders in the country who should receive TPRs on a regular basis (this proposal is discussed further in chapter 5).

At the same time, the list of those who receive free copies of TPRs needs to be reexamined for possible cuts.[2] Modest efforts in this direction have already been made. Of course, it would be counterproductive to make those who have been friends and supporters of the WTO pay an excessive price for TPRs. A better approach might be to curtail the practice of handing out additional free copies to WTO delegates already on the free distribution list, and instead charge a price (but not necessarily the full list price) for extra copies.

Any effort at further outreach needs to be tempered by the recognition that the needs of an extended readership may be quite different from those of the WTO negotiators themselves. Worldwide, the number of people who are interested in reading in detail about trade policy even in their own country is relatively small, and fewer still want to read about trade policy in other countries. Probably not a single politician, business leader, bureaucrat, or scholar anywhere on the planet aims at mastering the encyclopedic knowledge of trade policy that the TPRs in their aggregate provide—although many trade experts might well value having such an information hoard at hand as a reference tool. Outside users might also be put off, or even misled, by the diplomatic language, but as we have seen, TPRs are becoming more frank in their assessments, and a broadening readership provides one reason for continuing in that direction.

The community of trade scholars is one of the largest relatively untapped audiences for TPRs. The reports contain a wealth of data that could support academic research on a variety of topics. The usefulness of these data for comparative studies has particularly been overlooked: TPRs in the aggregate offer scholars the opportunity to compare any single feature or set of features of trade policy across a large number of coun-

2. In researching this essay, the author tried in vain to obtain a copy of the free distribution list for TPRs, particularly for North America, in the hope of being able to interview some of the regular recipients. The fact that the list was not readily available reinforces the impression that insufficient attention is being given to distribution.

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tries; however, this author has yet to come across any comparative studies that use TPRs as the data base. The WTO Secretariat itself undertakes only very limited comparisons of trade developments across countries, for example in the 1996 *Annual Report*.

Many of the needs of businesspeople (and of their lawyers and advisers) might also be met by TPRs, although those needs may differ markedly from those of WTO insiders. Businesspeople need specific information about how to get their products into foreign countries with unfamiliar trade practices, and what it will cost to do so—not just the bottom line but many other lines on the ledger as well. They therefore may require a finer level of detail about tariffs and other barriers than a TPR can provide. Businesspeople also need to get more of the general flavor of the local business environment—who provides what services, how business is transacted, which product markets are underserved and which already overcrowded. For this they are likely to rely heavily on specialized business journals and online services, consultants, and their own travel. Many of the improvements to TPRs suggested here might thus have only a small effect on their direct value for business purposes. But they could make TPRs more valuable as one of an array of diverse sources of information on the conduct of world trade.

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