

Abstract

The literature examining the participation of developing countries in the General Agreement on Tariffs and Trade (GATT) and International Trade Organisation (ITO) negotiations generally sees their attitudes towards these projects as having been driven exclusively by a commitment to import substitution. This commitment, it is argued, led developing countries to oppose many aspects of the GATT/ITO project, particularly the requirement for reciprocal tariff cuts. This paper argues that this view misconstrues and caricatures the ideas and motivations underpinning developing countries' attitudes towards the GATT and ITO. Though import substitution and the related objective of industrialisation each played a part in shaping developing countries' attitudes, they are only aspects of a more complex set of aims and ideas. Developing countries were drawing from a range of key experiences and ideas beyond simply import substitution in forming their attitude towards the GATT/ITO project, in particular the volatility in commodity markets that preceded the negotiations, the legacy of colonialism, and the lessons provided by the 19th and 20th centuries on trade policy. Finally, it is argued that evidence from the first round of GATT negotiations indicates that developing countries were substantially less opposed to reciprocal tariff concessions than has previously been argued. These findings are important for anyone who wants to understand the evolution of the GATT and the role developing countries played in it, and the difficulties between the rich and poor nations that continue to characterise negotiations in the World Trade Organisation.

Keywords: GATT (General Agreement on Tariffs and Trade); ITO (International Trade Organisation); Developing countries; Colonialism; Tariff paradox

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