Plenary Address

Let Us Bring the Ladder Back: Why Proactive Governance Matters for the Poor

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Let me start by posing a question raised by a Cambridge professor: "How did rich countries really become rich?"

This is the principal question posed by the Cambridge economist Ha-Joon Chang in his book entitled *Kicking Away the Ladder* (2002: 1). I do not know if you have encountered Chang's assessment of development strategies over time. If not, I urge you to go and get yourself a copy.

For developing countries to grow, Chang's thesis is simple. They should implement more of the strategies which rich countries *actually* used to develop and strengthen their own economies.[1]

Chang's book serves to jog our memories in this era of globalization, as we confront the onslaughts on our lives of neo-liberal policies such as liberalization, privatization and deregulation. He seems to agree with the ideas of Friedrich List (1789-1846), the nineteenth century German economist known as the father of the "infant industry" argument, citing List generously in his book.

List asserted that certain infant or newly-established industries needed a significant amount of support and protection in their early stages as a precondition for their success and growth. This was the path most developed countries took, but now, want developing countries to put away. He

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admonished these countries who mislead poor developing ones, into believing that they can achieve greatness by taking a different path.

List wrote:

> It is a very common clever device that when anyone attains the summit of greatness, he kicks away the ladder by which he has climbed up, in order to deprive others of the means of climbing up after him (as cited in Chang 2002: 4-5).

List added:

> Any nation which by means of protective duties and restrictions on navigation has raised her manufacturing power and her navigation to such a degree of development that no other nation can sustain free competition with her, can do nothing wiser than to throw away these ladders to her greatness, to preach to other nations the benefits of free trade, and to declare in penitent tones that she has hitherto wandered in the paths of error, and has now for the first time succeeded in discovering the truth (as cited in Chang 2002: 4-5).

I felt it relevant to introduce my presentation with Chang's scholarship, because I seriously believe that developing countries such as the Philippines, need to bring back the ladder that will help it climb to greatness. That ladder includes an industrial strategy, protection that is time-bound, and massive support to enhance competitiveness. These steps are among the alternatives available to a country facing the widespread collapse of its industries and agriculture, as a result of being unprepared for trade liberalization.

In fact, in the case of the Philippines, there was a time when its industrial ladder was very visible in Asia. This was in the 1960s when we were hailed by some observers as second only to Japan in the industrialization process in Asia. But sadly, something happened in the 1970s onward. We lost the ladder, or rather, it was kicked away by some believers of the ladder-less model of development—the neo-liberal economists who happened to have powerful backers in the International Monetary Fund (IMF) and the World Bank (WB).

I also want to remind everyone that the 1960s was that period in time when many developing country states effectively governed their markets to protect the poor and the vulnerable, to support and promote their own nascent producers and manufacturers, and to propel the development and spread of modern technology. This is what many developed countries did before they attained a highly-developed country status.

While it is true that those years were also marked by corruption, inefficiency and cronyism, the contribution of these states to industrial development and modernization was substantial and is no longer contested.

The State intervened heavily in facilitating access by the local producers to resources, knowledge and technology. The State did not wait for markets to evolve to assist the poor in climbing above the poverty line where universal and targeted anti-poverty programs were instituted. The regulatory infrastructure favored local production and the development of local industries; which helped diversify the economy and free more people from agriculture, the transfer of labor and resources from rural to urban economies, and an end to unemployment. In short, developing countries made sure that markets worked for the poor.

Critical and deliberate actions to supply food, support local enterprises, and foster better health and education standards were taken.

Incidentally, this is what Europe did after World War II. In countering the threat of starvation in the immediate post-war period, it erected an infrastructure of tariffs and subsidies to its food producers which later became the controversial Common Agriculture Policy (CAP). Already fully recovered and developed, Europe still refuses to give up this highly-subsidized CAP for fears that European agriculture might collapse.

On the other hand, the Americans used their Public Law 480 as a means to protect and reward their expensive producers, and dump cheaper food products in poor countries in the guise of food aid.

What else did the developed countries do?

- When the British tried to foist their patents and prevent the copying of books, the Americans resisted by ignoring those patents and preventing any foreign power from impeding the flow of knowledge to the North American continent.

- Japan, and later Taiwan and Malaysia, lavishly rewarded their own producers by "buying locally," procuring locally-produced machines and vehicles for use in economic recovery and infrastructure development. Up to this day, Japanese official development assistance (ODA) remains the most notorious for tying up aid with the procurement of Japanese products, for example, Toyota Land Cruisers, or the setting up of offices and buildings that are prefabricated and then wholly transported from Japan to the Philippines.

- Infrastructure projects were developed without recourse to "user fees." Instead, these were deemed as the duty of government to promote growth.

- Health and education were provided free of charge, and without recourse to a voucher system.

Asserting One's National Interest

What all of the foregoing suggests is that developed countries and those on the way to a developed country status have a clear notion of where the national interest of a country lies. They are prepared to assert such interests. Indeed, during the first wave of global economic integration that underscored the industrial revolution, the "globalizing" countries of Western, Central and Eastern Europe remained fully committed to their individual national interests and exercised a pragmatism that would enable them to protect themselves if necessary. Ideology was never permitted to shape economic policy for long periods of time.

Powerful countries such as the United States, Britain, Germany, and Japan, for example, after flirting with free trade policies in the aftermath of their industrial transformation had to reintroduce controls when it discovered that it could not easily compete with other efficient producers, and often against each other. In 1930, the US abandoned free trade and raised tariffs. Britain reintroduced tariff walls in 1932, and so did Germany and Japan following the First World War (Chang 2002: 14-15). For these countries, understanding where their interest lay constituted the bottom rung of the ladder to greatness. Protecting those interests ensured that they would not fall back.

Yet these same principles and practices are now under attack. Very few are willing, least of all the economists, to be identified with them. As List noted earlier, the developed countries had suddenly fallen victim to collective amnesia, as if declaring "in penitent tones that she has hitherto wandered in the paths of error" (Chang 2002: 5).

Today, I am happy to note that, despite decades of neo-liberal indoctrination and IMF-WB neo-liberal policy conditioning, developing countries are awakening to the imperative of asserting one's national interest and rejecting the ladder-less model of the neo-liberals. This they do in concert with other developing countries, as amply demonstrated to us in Cancun.[2]

In fact, many developing countries are now infused by a new sense of nationalism, economic nationalism in particular, that we have not seen since the end of colonialism.

But the nationalism that is being reborn among developing countries is a qualitatively new type of nationalism. It is a different and more mature type of nationalism. It is conscious of the rent-seeking behavior that made the old nationalism, so costly and ineffective. It rejects the extremism, sexism and racism that fostered exclusionary, unjust and violent outcomes. It has discarded strategies such as an aimless type of import substitution and protection with no end, just as it is rejecting today an aimless type of globalization and trade liberalization which create no jobs. It is nationalism that is *dirigiste*, yet flexible at the same time. It is a nationalism fighting for just and equal trade in the world market.

It is a nationalism willing to compromise. It is, above all, conscious of the need for macroeconomic and political stability as preconditions for sustainable development and growth. It is deeply aware that the costs of economic and political instability are disproportionately shouldered by the poor.

An Awakened Civil Society

Most importantly, it is a nationalism shared and promoted by a growing civil society movement.

Witness the events leading to the massive collapse of global trade talks– first in Seattle, and now in Cancun. No matter how much the conservative publications such as *The Economist* (2003: 11, 26-28) caricature them, the nongovernment organizations (NGOs), community organizers and civil society groups are proving themselves to be more holistic and sophisticated in their advocacy and elucidation of what is in the national interest of a developing country, whether at the national or international level. Thus, the dialectics of government organization (GO)-NGO relations is going beyond the traditional contrarian relations or its direct opposite, the cooptation of the NGOs by the powers-that-be.

Leaders and trade negotiators of developing and underdeveloped countries were sensitized to the agenda and position of new political movements over a long period of time. They helped strengthen the resolve of government negotiators in protecting the rights and advancing the socio-economic position of underdeveloped and developing countries in venues such as Cancun.[3]

A good example of this new-found flexibility and nuanced handling of GO-NGO relations is the success of our own Fair Trade Alliance (FTA), a broad coalition that is pushing for major reforms in the government's trade and development strategy. The FTA worked closely with liberal and socially-progressive elements of the government, influencing their views, leveraging their actions with a combination of front and back door lobbying and holding them to account for concrete agreements reached on key sectors of the economy.

Before Cancun, the FTA had a series of dialogues with key government officials. In the industry forum, FTA succeeded in getting the commitment of the Trade and Industry Secretary that, unlike in the Uruguay Round, there would be no commitments that would unduly harm local industry. In the dialogue on agriculture, the Secretary of Agriculture expressed elation for the support that FTA was giving him, for officials who express views that are contrary to the prevailing neo-liberal dogma are often under attack from the neo-liberal economic technocrats. At the moment, it appears that it is the neo-liberal economic technocrats who appear to be on the verge of isolation, as they can barely provide solid answers to the criticisms raised by the FTA regarding the collapse of industry and agriculture under their ladder-less model.

Solidarity Among Developing Countries

Meanwhile, solidarity among developing countries is enjoying a revival.

In Cancun, developing country governments have organized themselves into a G22 group of nations (from 21 to 23 and then down to 22) to take a common negotiating position. They include big producers such as Brazil, India, and China. Significantly, the Philippines joined this coalition in resisting moves by the developed world to further pry open their markets without the latter dropping their massive production and export subsidies, especially in agriculture.

African countries have also banded together to wage a battle to protect their cotton production from total collapse. There are ten million African cotton farmers whose incomes have been falling because the world market is being depressed by the excess cotton being produced by some 120,000 American and European cotton farmers who enjoy $6 billion a year of subsidies.

Clearly, the developing countries have awakened to the asymmetry in the world market and are responding by asserting the necessity of adjusting or remaking the rules in global trade to make trade fair, if not just. In practically all areas of the WTO negotiations—from agriculture to industry, from patents to the so-called non-trade issues such as investment, government procurement, trade facilitation and competition—the developing countries took a position almost diametrically opposite to that of the developed countries. This is a new high in the collective consciousness of developing countries on the asymmetry in the world economy. It is a consciousness formed by a realization of the weaknesses of the ladder-less model being promoted through the multilateral financial institutions and through the WTO. It is a new consciousness shaped by the incessant efforts of civil society groups to go into the roots of poverty and to engage the government in meaningful dialogues.

Identifying Threats and Developing Appropriate Responses

However, the success of the civil society groups and the developing countries in Cancun should not blind us to the reality that so much has to be done to make the world a livable one and create the nurturing environment for growth and development to take place in developing countries.

In particular, there is a need for developing countries to be prepared for sudden shocks in their systems which can torpedo the growth process and make them vulnerable to the policy blandishments of the multilateral financial institutions. We have seen such patterns of development repeated so many times in so many countries and regions of the developing world. The Philippines is a living testimony to such pattern. Every financial shock that hit the Philippines since 1962, the first time it went to the IMF, only deepened its dependence on IMF-WB tutelage and weakened its capacity to stand and climb back the ladder of growth.

In times good or bad, developing countries must have the capacity to shelter the poor from the ravages of the market, both global and national, and look for the most effective means to liberate the poor from poverty. Such a capacity is crucial and central in handling sudden and unexpected economic crisis, as we have seen in the Asian economic contagion of 1997-98. At the height of the financial crisis, some Asian countries almost imploded due to their incapacity to handle massive capital flight and the ensuing massive destruction of industries and jobs.

Thus, we should take seriously the warning issued barely a year ago by the former Chief Economist of the World Bank, Joseph Stiglitz. He said that the direction world economies are taking is headed towards disaster, especially for developing countries. He pointed out in particular the risk associated with the fast-evolving interlinkages between financial and trade liberalization that are being pursued by underdeveloped and developing countries on the advice of international financial institutions such as the IMF (Stiglitz 2002).

Stiglitz (2002) cautioned poor countries about a looming recession. "The poor countries have no safety net to soften the impact of recession." He specifically noted that farmers would soon be plagued with higher interest rates, "making it more difficult for them to buy the seed and fertilizer necessary to eke out their bare subsistence living" (2002: 64-66).

The combination of comprehensive financial deregulation coupled with a badly-timed trade liberalization process would exact a higher toll among the rural poor. "And as bad as premature and badly managed trade liberalization was for developing countries, in many ways capital market liberalization was even worse" (Stiglitz 2002: 64-66). Financial deregulation means tripping away all regulatory instruments to the entry of highly subsidized products as well as the flow of "hot" money, which in turn caused volatility and instability.

Stiglitz was, of course, talking about the lingering effects of the East Asian crisis and the meltdown in the American IT sector and stock market due to the Twin Towers bombing, the Enron and big corporate scandals and the recessionary trend in the developed countries. The deadly 1997-98 Asian financial crisis might recur and one cannot predict the level of virulence the next crisis will assume.

Yet, while Stiglitz was giving his warning, optimism among neo-liberal economists remained relatively high because of the prospects for another round of trade liberalization initiatives, especially in agriculture. The Doha Round was seen as a way to correct problems pertaining to trade liberalization.

But now, as a result of the collapse in Cancun, all bets are off. There is no incentive among developing countries to continue with their tariff reduction schedules, and much less interest in accelerating those commitments. Bilateral agreements and the grant of individual Most Favored Nation (MFN) status will most likely be the convenient recourse of the strong and powerful. And unless directed towards the strengthening of regional initiatives, frustration over the collapse of the talks will mount and will redirect developing country efforts towards unilateral rather than collective responses.

In the face of such uncertainties, it is best that developing countries steel themselves by strengthening their capacity to rely on themselves and the dynamism of their own domestic markets without necessarily delinking themselves from the rest of the world. It simply means pursuing a balanced development strategy. It also means, yes, bringing back the ladder.

Lessons from Cancun

Now what else can we learn from Cancun?

Historians will look back at the Cancun talks, and probably the entire Doha Round[5] as the "revolt of the South." It now appears to have produced a stronger collective voice from among developing and underdeveloped countries, with the requisite new groupings and new initiatives.

How can poor countries such as the Philippines benefit from such a turn of event?

There are several ways.

One, Cancun means countries can have more space and flexibility in crafting their own development agendas based on their level of development and their development requirements. The one-size-fits-all model represented by the Washington Consensus[4] or its latest variant, the Augmented Washington Consensus,[5] will not work and will never work. Not all countries are created equal. Each one has to develop the appropriate strategies to climb the ladder to greatness.

Two, Cancun means developing countries have great reasons to intensify trade with one another in a mutually beneficial and just way. There would have been no G22 if there were no commonality of problems. Nor a group of 32 led by Indonesia and the Philippines fighting for special safeguard measures and special products for developing countries. Nor a group of 70-odd countries from Africa and the Caribbean resisting developed country agricultural subsidies and the so-called Singapore issues on investment, trade facilitation, government procurement and competition.

Three, Cancun is also a revival of a movement that was once under way on the global stage–the movement for a New International Economic Order (NIEO). If you recall, the NIEO came about in the early 1970s as a reaction of many developing countries to the unjust and unequal global trade in favor of a few developed countries and a handful of multinational corporations with a global reach. This promising movement was subverted by the neo-liberals and waylaid by the Reaganite-Thatcherite movement. While it is too early to say that such a revival is sustainable, it cannot be denied that after Cancun, global trade negotiations will no longer be the same again and that developed countries will no longer impose trade rules automatically and with impunity as they did in the past.

Liberalization Pitfalls

There are, of course, dangers and pitfalls along the way.

As it is, the Philippines and many developing countries have pursued liberalization and now have to confront the realities of globalization. They have to grapple with the adverse impact of globalization and past liberalization policies on their economies and societies.

Since the entry of the Philippines and most of the developing world into the World Trade Organization (WTO), there has been increasing concern that the poor and the vulnerable, including the entrepreneurial poor, would be negatively affected and penalized by the liberalization process.

In the Philippines, the signs are ominous.

Rice farmers and cooperatives are having difficulty competing with imported rice with the removal of quantitative restrictions and the low level of tariffs. Vegetable farmers planting onions, garlic, and/or cabbage are faced with a slide in incomes as a result of the Australian and Chinese dumping of their cheap vegetables in the local markets.

In the garment subcontracting industry, urban poor households are losing supplementary means of income as regional and international garment manufacturers transfer their operations to South Asian countries with cheaper costs of labor. In the furniture products industry, unemployment is on the rise as companies retrench. Philippine wood products are losing out in the competition with cheaper products from mainland China, Russia and elsewhere.

In previous years, we have seen the growth of an "entrepreneurial poor" due to incentives, support mechanisms and some level of protection. They are people coming from rural or urban poor households engaged in some form of micro-livelihood projects, or self-employment initiatives, who are often vulnerable to sudden shifts in prices at the local level.

They are a critical component of a sustainable and broad-based economic growth strategy because they create additional jobs, provide basic food security for the family, and positive economies spill-over effects for the rest of the community. Most of the entrepreneurial poor are women. They make up the bulk of businesses classified as part of the local informal sector, such as, street vending, food retailing, small garment production, buying and selling of personal items and goods, etc.

But now, they are directly targeted for extinction under the new rules of trade. They are in the direct line of fire from the threat of global competition, largely because there are no safety nets and competitiveness enhancement programs that support vulnerable rural and urban poor households involved in micro and small farm, off-farm, and/or non-farm enterprises. They stand to lose out in the highly competitive climate fostered by liberalization and deregulation.

The plight of these sectors is critical because their plight means globalization is not delivering the economic and political benefits to the poor it is touted to do, as argued by the economists of the World Bank, the International Monetary Fund, the Asian Development Bank and the Organization for Economic Cooperation and Development so many times. In the Southeast Asian region, the same promises of prosperity and greater equality underlie regional liberalization initiatives, such as the Asean Free Trade Area and the Asia Pacific Economic Cooperation. The promises have not borne fruits, except for a few.

Hence, the issue is: can we reverse globalization? Can we get out of our liberalization commitments? Can we go back to the good old days of economic protection?

Bringing the Ladder Back at a Higher Level

We, at the Fair Trade Alliance, have so many discussions on globalization.

Briefly, the consensus is that globalization is here to stay and that we cannot wish it away. But we can shape or reshape the rules of globalization. More importantly, for a developing country like the Philippines, the issue is how to define the terms of its incorporation in the global market, in a way that strengthens our capacity to assert our national interest and national well-being.

Like in Cancun, we see no reason why we cannot renegotiate for fairer terms of trade. For example, many of our MFN tariff rates were simply based on our existing tariff reduction commitments to IMF and WB, not on the actual needs of our domestic industries. Such MFN tariff rates, which have been disastrous to local industry and agriculture, should be adjusted upward and recalibrated in accordance with our development requirements.

Despite or precisely because of globalization, we appreciate the need for an activist government, one that is not shy in bringing back the ladder. We need the ladder to deepen and broaden the country's agro-industrial base to insure and sustain our future growth. We need the ladder to protect our agriculture and our poor from the vicissitudes in the global market and the asymmetries in the global trade.

We need the ladder because we need to grow as a people.

A Post-Global Era or a More Pragmatic Globalization Era?

The truth is that we are now entering a new era. Gone are the heady days for the *globalizers* that we saw in the 1990s. Gone are the days when the World Bank was issuing reports about the dawning of a golden age for the world's labor force when in fact workers were then facing threats of massive joblessness and displacement.

Are we in post-global period?

As I said earlier, we cannot wish globalization away. It is here. It is a reality. It will not go away.

But we now have a deeper understanding of the dynamics of globalization and its positive and negative features. The challenge is not simply to expose and oppose the harmful effects of globalization. It is also to adopt a more constructive approach, that is, to tame the negative effects and shape or manage globalization in the service of the poor, of the nation and of humanity.

This will take some doing. In this endeavor, we need to be more decisive in espousing a different kind of globalization. We need to be unrelenting in our critique of the ladder-less model of growth and development.

As it is, the attack on those espousing a nationalist and pro-poor model of development based on a strong government-civil society partnership keeps on pouring. Some are crude and vulgar like those dished out by *The Economist*.

Some are subtle like those who say that the failure of the national government means the need for the local community to be on their own and address their own problems regardless of what is happening in the center. Thus, here in the Philippines, there is the proposal towards a new federalism.

But do we not already have the local autonomy code, which allows the local government units broad and sweeping powers to take community initiatives at the level of the region, province, city and town? Are there not enough NGOs operating on the ground espousing varied community-based issues with relative freedom? Is this federalism idea not another instrument to kick away the ladder, to divert our attention from the necessity of building a clear national agenda that will assert our sovereignty as a nation? And why is the federalism idea being broached side by side with the proposal to do away with the national patrimony, that is, to allow foreign interests to buy and sell land and operate public utilities, including our mass media, like the locals? Are these not clear signals that they now want a weak and ineffective state for such a state is incapable of mounting resistance against their neo-liberal policy prescriptions?

Clearly, we need to be vigilant all the time. We need to be unrelenting. This is what the success of the developed countries tells us. This is what South Korea and the newly-industrialized countries did. This is what Malaysia and China did. And this is what Thailand and Vietnam appear to be doing.

Reforms in the Regulatory Framework

There is indeed a need for a new regulatory framework which is sensitized to the most effective means that will liberate the poor from poverty, a framework that will play a central role in alleviating the most severe economic and political crisis confronting our nation.

The elements of such a framework are the following:

- The launching and full implementation of an "employment generating" agro-industrial and infrastructural developmental strategy which combines two aspects: *one,* a massive plan to develop a transport and information infrastructure focused towards key areas of the Visayas and Mindanao; and *two*, the restoration of our previous manufacturing capacity, the expansion of that capacity over the medium term, and "incentivising" the penetration of new industries by foreign and local capital.

On the latter we propose a specific focus towards agribusiness, fisheries, and wood-based natural resources, developed in a sustainable manner. We have chosen these industries because they are the most labor intensive. These industries will receive government protection that is strictly time-bound (five to eight years at the most): in the form of tax breaks, strict tariff implementation at bound rate levels, and the regular and judicious use of safeguard duties, or other anti-import surge instruments when necessary. However, all financial investments will have to be shouldered by either or both local and foreign businesses. A policy of denying sovereign guarantees to any project shall be put in place.

As I have mentioned earlier, employment generation and secure livelihoods must be at the core of the development strategy governing our regulatory framework. That framework challenges the assumption that inequality and an intensification of poverty is a necessary precondition for attaining sustained economic growth or that there is no way to alleviate the social costs of the transition towards open and competitive markets, especially for the rural and urban poor. Instead, massive job generation shall be accompanied by targeted safety nets and competitiveness-enhancing interventions, including the provision of funds to enhance capabilities and capacities and the institutionalization of new risk-management instruments and mechanisms at the local government level.

- The enactment of an effective competition policy. We propose a competition policy anchored on three reform programs: *first,* ensuring full transparency and disclosure of the entire transaction process with the State that all investors and businesses, big or small, will need to go through. The intention here is to provide full information, defeat graft and corruption, and speed up the bureaucratic process; *second*, strengthening the internal governance of key institutions such as the Central Bank, the Monetary Board, the Treasury and the Department of Finance, etc. that play an important role in supervising, controlling, or mediating competitive outcomes in, for example, the public sale or auction of stocks, bond instruments and government securities. This internal governance includes strengthening the integrity of competitive outcomes and protecting them from unnecessary judicial or legislative intervention and harassment; and *third,* strengthening public accountability by ensuring that no market is dominated by monopolies, and that all enterprises are open to competition. The aim here is to ensure that citizens exercise some leverage over service providers and that their exit options are not impeded at any time by the lack of competition.

- The organization of an autonomous mechanism such as a Competition Council that can act as a watchdog over public and private transactions. This mechanism can be multi-stakeholder in character and financed from public funds. It can be operationalized as an independent constitutional body whose purpose is to generate bureaucratic momentum behind an effective competition policy.

In closing I should say that there are valid issues and questions to be raised against the harmful effects of globalization—but a decade after massive changes were made in developing countries we find that households, small producers, and governments would rather manage the effects of globalization in a manner which enables the poor to actively compete in markets—or climb up the same ladder used by the rich to attain their strength.

This openness seems to infect the political processes in the country too. A political consensus is building up that asserts that parliamentarians representing local districts are better equipped to come together and chart the national interest. While there are merits to a parliamentary system, there are serious problems likewise associated with the removal of tenured positions, such as the presidency and the senate, which are accountable to a national body politic. If we are not cautious, the neo-liberal attack on economic institutions may march in step with an attack on political institutions that subtly undermines the need for a strong and effective state.

Given the necessary resources, I would embark on a serious study of these trends, and prioritize investigating the sources of power that new political movements possess, and assess their accompanying "mature" strategies and tactics. Their actions are in sharp contrast to latter-day accounts of a peaceful and gradual "building of social capital anchored community solidarity, which often negates the role of the state. On the contrary, these movements seem to want the return of a strong state.

Finally, I encourage the academic and research community to focus their attention on the political economy of trade policy reform in countries such as the Philippines, and to zero in on the events that shaped the obvious shift in trade policy within the public sector. It is an interesting study of why states do what they do in the trade game, and may hold the key to where the ladder has been hidden by the rich countries.

Our resolve to bring back the ladder of growth and development should remain strong and undiminished at all times.

Thank you and good day.

Endnotes

[1] Chang argues that most developed countries deliberately impose a set of institutions and organizations on developing and underdeveloped countries which the former did not utilize themselves in the course of their own development. Chang teaches at the University of Cambridge and is the Assistant Director of its Development Studies program.

[2] The Fifth WTO Ministerial Conference held in Cancun, Mexico from 10-14 September 2003 collapsed due to the absence of a consensus on the pending decision on the Singapore issues.

[3] They include Lula de Silva and Celso Amorim of Brazil, and Arun Jaitley of India.

[4] The Fourth WTO Ministerial Conference held in Doha, Qatar from 9-14 November 2001 suggested a new round of trade negotiations; further trade negotiations and new rulemaking.

[5] It is often seen as synonymous with "neoliberalism" and "globalization." As the phrase's originator, John Williamson, says: "Audiences the world over seem to believe that this signifies a set of neo-liberal policies that have been imposed on hapless countries by the Washington-based international financial institutions and have led them to crisis and misery."

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