

Philipp Scheuermann

**Normative conditions  
to make WTO law more responsive  
to the needs of developing countries**



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Normative Bedingungen  
der stärkeren Ausrichtung des WTO-Rechts  
auf die Bedürfnisse von Entwicklungsländern



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## Europäisches und Internationales Recht

herausgegeben von

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*Meinen Eltern*



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Philipp Scheuermann



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## Abbreviations

ACP	African, Caribbean and Pacific States
ACWL	Advisory Centre on WTO Law
ADA	Anti-Dumping Agreement
AGOA	African Growth and Opportunity Act
Am. Econ. Rev.	American Economic Review
Am. J. Comp. L.	American Journal of Comparative Law
Am. U. Int'l L. Rev.	American University International Law Review
AoA	Agreement on Agriculture
Art.	Article
ATC	Agreement on Textiles and Clothing
ATDEA	Andean Trade and Drug Eradication Act
ATPA	Andean Trade Preference Act
B.C. Int'l. & Comp. L. Rev.	Boston College International and Comparative Law Review
BISD	Basic Instruments and Selected Documents
CBI	Caribbean Basin Initiative
CBERA	Caribbean Basin Economic Recovery Act
CMLRev.	Common Market Law Review
Col. J. Transnat'l L.	Columbia Journal of Transnational Law
Col. Bus. L. Rev.	Columbia Business Law Review
CBD	Convention on Biological Diversity
CPA	Cotonou Partnership Agreement
CVA	Customs Valuation Agreement
Dev. Pol'y Rev.	Development Policy Review
DSB	Dispute Settlement Body
DSU	Understanding on the Rules Governing the Settlement of Disputes
Duke J. Comp. & Int. L.	Duke Journal of Comparative and International Law
EBA	Everything but Arms
EC	European Communities
Econ. J.	Economic Journal
EPA	Economic Partnership Agreement
Estey Centre J. Int'l L. & T. Pol'y	Estey Centre Journal of International Law and Trade Policy
Eur. L. J.	European Law Journal
Eur. L. Rev.	European Law Review
Eur. For. Aff. Rev.	European Foreign Affairs Review
EuZW	Europäische Zeitschrift für Wirtschaftsrecht
FDI	Foreign Direct Investment
fn.	footnote
Food Pol'y	Food Policy
Foreign Aff.	Foreign Affairs
FTAA	Free Trade Area of the Americas
GATS	General Agreement on Trade in Services
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
Geo. Wash. Int'l L. Rev.	George Washington International Law Review
Gl. Econ. J.	Global Economy Journal
GNI	Gross National Income
GNP	Gross National Product
GRUR Int.	Gewerblicher Rechtsschutz und Urheberrecht: Internationaler Teil
GSP	Generalized System of Preferences



GSTP	Global System of Trade Preferences Among Developing Countries
GYIL	German Yearbook of International Law
HDI	Human Development Index
HPI	Human Poverty Index
ILO	International Labor Organisation
ILP	Agreement on Import Licensing Procedures
Int'l T. L. & Reg.	International Trade Law & Regulation
IMF	International Monetary Fund
Indian J. Int'l L.	Indian Journal of International Law
IP(R)	Intellectual Property (Right)
J. Econ. Lit.	Journal of Economic Literature
J. Econ. Pesp.	Journal of Economic Perspectives
J. Mon. Econom.	Journal of Monetary Economics
J. Pol. Econ.	Journal of Political Economy
J. Transnat'l L. & Pol'y	Journal of Transnational Law & Policy
J. World Inv. & T.	Journal of World Investment & Trade
JIEL	Journal of International Economic Law
JWIP	Journal of World Intellectual Property
JWT	Journal of World Trade
LDC	Least-Developed Country
LIEI	Legal Issues of Economic Integration
Melb. J. Int'l L.	Melbourne Journal of International Law
MFA	Multi-Fibre Agreement
MFN	Most-Favored Nation
NAFTA	North American Free Trade Agreement
OECD	Organisation for Economic Co-Operation and Development
OJ	Official Journal of the European Communities
Oxf. Rev. Econ. Pol'y	Oxford Review of Economic Policy
para.	Paragraph
Quart. J. Econ.	Quarterly Journal of Economics
SA	Agreement on Safeguards
SCM	Agreement on Subsidies and Countervailing Measures
SPS	(Agreement on) Sanitary and Phytosanitary Measures
SSM	Special Safeguard Mechanism
STDf	Standards and Trade Development Facility
TBT	(Agreement on) Technical Barriers to Trade
TRIMs	Agreement on Trade-related Investment Measures
TRIPS	Agreement on trade-related aspects of Intellectual Property
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
US	United States
WD	Wirtschaftsdienst
World Bank Econ. Rev.	World Bank Economic Review
World Dev.	World Development
World Econ.	The World Economy
WTO	World Trade Organisation
WTR	World Trade Review
Yale Stud. World Publ. Ord.	Yale Studies in World Public Order
ZEuS	Zeitschrift für europäische Studien

## Chapter 1: Introduction

The history of the multilateral trading system under the GATT/WTO is one of success. In six decades, the system has evolved from a negotiating forum, aimed at achieving tariff bindings and reductions, to a system that encompasses a deeper set of disciplines across a variety of policy areas. These cover market access for goods and services, harmonization of international standards, disciplines for domestic support and export subsidies, disciplines on contingency measures and the protection of intellectual property. The dispute settlement system, a central achievement of the Uruguay Round, asserts the primacy of rule-based dispute settlement over power-oriented dispute resolution in international economic law. As of January 2009, 153 Members seek to cooperate in the field of international economic relations and to establish a system that provides mutual benefits.

Despite this impressive record, there remain multiple challenges for the future evolution of the multilateral trading system. With the vast majority of WTO Members being developing countries, their successful integration is perhaps the most critical issue for future success. Multilateral trade rules need to take account of the special interests and needs of developing countries. They need to be supportive of development strategies. The launch of the Doha Development Agenda in 2001 reflects the awareness among WTO Members that trade agreements need to provide more benefits to smaller and weaker economies in order to earn the trust of all Members and ensure the WTO's legitimacy. The development contribution will be the major yardstick to assess the outcome of current and future negotiations.

This study will examine how multilateral rules can be made more responsive to development needs. Today's understanding of the development process is mainly informed by the goal of poverty reduction. This renders development not only a function of increasing income, but also of other factors such as strengthening health services, improving education or building reliable and transparent institutions. While progress along these lines depends on a number of complementary factors, it is sure that economic growth has a vital function in the development process. In this respect, trade can play a major role. Openness to trade allows economies to specialize, gives access to technological knowledge, and leads to higher investments. These are key elements of a successful growth strategy. However, positive effects depend on a variety of other conditions and individual circumstances of a country. While openness is central to economic growth in the long term, mixed outcomes of liberal trade reforms in the last decades have led to new controversy about the

successful path to openness. Given that different approaches to trade reform have proven successful in the past, there is no single recipe for successful trade policy. This has provoked renewed debate on the selective use of trade policy instruments in the development process, such as tariffs, subsidies or performance requirements. In this context, many developing countries feel that multilateral rules unduly constrain their policy space to pursue national development strategies.

During the first six decades of the multilateral trading system, three different normative concepts of how to take account of the special needs and interests of developing countries can be broadly distinguished. Initially, development was regarded as a domestic matter. The same multilateral trade rules applied to all Members with only few exceptions specifically available to developing countries. Following a review of the multilateral trade rules at the end of the 1950s, increasing attention was directed at the relationship between developed countries and developing countries in international trade. The principle of non-reciprocity in the relationship between developed and developing countries was instituted. Developing countries had the right to undertake fewer liberalization commitments than developed countries. In addition, the principle of variable geometry allowed them to refrain from signing the side agreements to the GATT. Thus, developing countries largely remained outside the process of multilateral trade liberalization. This process was reversed in the Uruguay Round, which led to the establishment of the WTO. New emphasis on reciprocity governed the relationship between developed and developing countries. Broad exemptions, as practiced earlier, were replaced by strengthened legal discipline and flexibility was curbed. Transitional periods and technical assistance became main elements of special and differential treatment of developing countries in WTO law.

Policy restrictions and high implementation costs following the Uruguay Round led to the widespread perception among developing countries that they had subscribed to a bad deal and that multilateral rules did not effectively respond to their interests. This dissatisfaction was a main driver for the launch of the Doha Development Round in 2001. However, while Members have repeatedly confirmed their commitment to development, progress in the current round has been disappointing. The reasons for this are manifold. Developed countries remain reluctant to make meaningful commitments in highly protected areas, in particular agriculture. Moreover, in their view, reform of special and differential treatment should not imply fundamental alterations in the balance of rights and obligations of Members. Many developing countries, by contrast, expect that the current round would bring about significantly improved market access in developed countries and renewed flexibility in rules.

An analysis of the current regime for special and differential treatment of developing countries reveals a lack of systematic approach to their treatment in WTO law. Consideration of developing country needs mostly takes the form of general, vague, and mostly unenforceable clauses. The system responds insufficiently to the diverse needs of developing countries, which differ enormously regarding their economic power, production structure, and institutional capacity. The imbalance seems to be caused by two principal analytical deficits. First, developing countries are largely treated as a uniform group under WTO law. This fails to account for differences among the membership. Second and strongly interrelated with the first issue, there is no systematic analysis of the concerns developing countries have with individual agreements.

In general, any reform of special and differential treatment will have to distinguish between market access and WTO rules. First, in the area of market access for goods, unilateral preferences remain the most important instrument for many developing countries. The responsiveness of preference schemes to beneficiary needs is mainly a matter of degree of concession, product coverage, and reciprocal conditions in national preference schemes. Failure to provide real benefits can be traced back to the lack of political willingness rather than legal constraints on Members' sovereign policy decisions. In the area of services, the GATS mechanism in principle provides the requisite flexibility to take into account differences among Members. As of today, however, most of the potential remains unexplored. Meaningful commitments in areas of interest to developing countries, such as the movement of natural persons, remain fairly limited.

The second area of obligations concerns WTO rules, which cover various aspects of domestic regulation. A systematic approach in this area is required to effectively respond to different capacities and needs among Members. Extended implementation periods and non-binding provisions for technical assistance have largely failed to do so. A new approach to special and differential treatment has to address differences among developing countries more openly. A potential way to take account of developing country needs in a more refined manner would be to make the applicability of certain obligations dependent upon the fulfillment of specific economic and social criteria. However, as the needs of developing countries differ between several WTO agreements, a distinction needs to be drawn between different categories of WTO law. Each category needs to be analyzed separately with a view to their specific economic, political and legal parameters.

This study aims to contribute to the debate on the reform of special and differential treatment by pointing out potential ways to render WTO law more responsive to the needs of developing countries. It will first examine the

current debate on trade and development, followed by an assessment of the different approaches that the multilateral trading system has taken towards developing countries in the past. The subsequent chapters will analyze in depth the current rules for special and differential treatment in the area of trade in goods, trade in services, intellectual property and dispute settlement. Finally, a reform proposal for special and differential treatment will be devised. Core elements of this proposal include effective preferences for Least Developed Countries (LDCs) and similarly situated countries and the application of a new graduation principle in the area of WTO rules.

## Chapter 2: Trade and development

### A. DEVELOPMENT AND GROWTH

#### I. Development as a multidimensional concept

There is broad agreement that the reduction of poverty is the core element of any development process. Poor people typically face a variety of deprivations and constraints. Poverty means insufficient nutrition, lack of adequate education and health service, financial hardship, exposure to natural disaster and environmental hazards, subjection to violence, and lack of influence on key decisions on one's life conditions.<sup>1</sup> More general, poor people lack fundamental freedoms of actions which others take for granted. Hence, *Sen* identifies the enlargement of freedom as the primary goal of development.<sup>2</sup> Expanding peoples' opportunities and enabling them to make choices in life according to individual values and preferences is the ultimate goal of the development process.<sup>3</sup>

Having said this, it becomes clear that development is a multi-dimensional process.<sup>4</sup> Stable income, availability of health care and education, safety from natural disaster and threats, and an overall good quality of living are elements of a successful development process. Likewise, safe access to water, availability of sufficient and nutritious food, secure housing, and mobility must also be considered. Successful development policies need to enhance the choices and capabilities of the poor and raise the overall quality of living.<sup>5</sup> Key policies need to be devoted to stimulating economic growth, providing adequate health and educational services, building reliable institutions, facilitating political participation, and providing reliable guarantees for individual freedom.<sup>6</sup>

Economic growth is a vital element of the development process. However, if development is seen as a process of enlargement of individual freedom,

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<sup>1</sup> *World Bank*, World Development Report 2000/2001: Attacking Poverty, 2001, at 15-16; *McCulloch/Winters/Cireia*, Trade Liberalization and Poverty: A Handbook, 2001, at 38.

<sup>2</sup> *Sen*, Development as freedom, 1999, at 3-11.

<sup>3</sup> See also *Thirlwall*, Growth & Development: With Special Reference to Developing Economies, 8<sup>th</sup> ed., 2006, at 19; *Todaro/Smith*, Economic Development, 10<sup>th</sup> ed., 2009, at 22.

<sup>4</sup> See in general *World Bank*, World Development Report 2000/2001, at 15-21.

<sup>5</sup> *Hemmer*, Wirtschaftsprobleme der Entwicklungsländer, 3<sup>rd</sup> ed., 2002, at 3.

<sup>6</sup> *Durth/Körner/Michaelowa*, Neue Entwicklungsökonomik, 2002, at 8.

growth in income is a means to expand freedom, not an end of the process itself. Growth in real income does not necessarily enhance individual freedom, if access to health care or vulnerability to possible ill-treatment by the state remain unchanged or even deteriorate. Hence, economic growth is central to development, but development is about more than just economic growth. Yet, empirical research suggests a strong correlation between human development and income levels.<sup>7</sup> Thus, substantial progress in development is unlikely to occur in cases of economic stagnation.<sup>8</sup>

The multiple facets of the development process make its measurement a complex task. Single-factor concepts rely on one indicator to gauge development. The most common single-dimensional concept is that of per capita income, as it is widely available and easily comparable at international level. Despite inaccuracies in correctly displaying other social variables such as life expectancy or the quality of health care, it is widely used to estimate development.<sup>9</sup> The World Bank applies two poverty lines for international comparison.<sup>10</sup> The first threshold of an income of US-\$ 1 per day and below describes cases of extreme poverty. A higher threshold of US-\$ 2 per day depicts cases of poverty in lower-middle income countries. Yet both lines are only adequate to calculate international poverty aggregates. The national situation and possible policy approaches require country level analysis.<sup>11</sup>

Multidimensional concepts aggregate several facets of development into one single indicator. The Human Development Index (HDI), calculated by the United Nations Development Programme (UNDP), monitors income, education and health via a composite index that comprises per capita income, life

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<sup>7</sup> Bender, Wachstum und Entwicklung, in: Bender (ed.), Vahlens Kompendium der Wirtschaftstheorie und Wirtschaftspolitik, Band 1, 9<sup>th</sup> ed., 2007 at 401-02; WTO, World Trade Report 2003, 2003, at 82.

<sup>8</sup> WTO, World Trade Report 2003, at 82.

<sup>9</sup> Bender, Wachstum und Entwicklung, at 402-03.

<sup>10</sup> For the following, see *World Bank*, World Development Report 2000/2001, at 17, 21-24. The concept was first presented in the World Development Report 1990, see *World Bank*, World Development Report 1990: Poverty, 1990, at 25-28. For calculations on the evolution of poverty in the 1990s, see *Chen/Ravallion*, How Did the World's Poorest Fare in the 1990s?, World Bank Policy Research Working Paper No. 2409, 2000.

<sup>11</sup> *World Bank*, World Development Report 2000/2001, at 17. Further single-dimensional concepts include measuring development through distribution of income or through distribution of educational possibilities in relation to income. A widely used index is the GINI-Index which measures income distribution through measuring the income of population quintiles and calculating the gap to an ideal distribution (*Lachmann*, Entwicklungspolitik, Band 1: Grundlagen, 2004, at 33-34). These indicators give a quick overview on inequality in a society; they do not show the absolute number of poor people. Also, identical index results might describe different patterns of income distribution.

expectancy at birth, adult literacy rate and school enrolment.<sup>12</sup> Another concept published by the UNDP is the Human Poverty Index (HPI), which reflects the distribution of progress made and measures deprivations that still exist. It comprises the probability at birth of not surviving to the age of 40, the adult illiteracy rate, the percentage of people without access to improved water, and the percentage of children under weight for age.<sup>13</sup> As opposed to the HDI, the HPI excludes any income indicators as these are often distorted due to slim elites of wealthy people, who lever the average income based on headcount.<sup>14</sup> Multidimensional development indicators reflect the fact that development and poverty are multidimensional concepts that go beyond mere economic growth and monetary income. Nevertheless, these concepts are subject to criticism. Firstly, limited availability of data restricts building internationally comparable indicators.<sup>15</sup> Secondly, the selection and the ratio of different elements in composite indexes have substantial influence on the resulting ranking, thus reducing the conceptual strength of any multidimensional indicator.<sup>16</sup> For example, significant differences can already be observed between the ranking according to HDI and HPI.<sup>17</sup>

The broad approach to development is reflected in the Millennium Development Goals (MDG) adopted in September 2000 at the United Nations Millennium Summit.<sup>18</sup> The MDG aim for social development and long-term improvement of the situation of the world's poor. They represent internationally agreed targets for combating poverty, hunger, and diseases, for promoting primary education and the empowerment of women, and for reducing infant and maternal mortality until 2015. According to the first goal, the worldwide share of people living of less than one dollar a day shall be halved by 2015, just like the share of people suffering from hunger and those living without access to safe drinking water.<sup>19</sup> The ambitious goals reflect the increasing awareness of politicians, international donor agencies and regulatory institutions of the deepening divide between developed countries and developing countries. They constitute an effort to make globalization, a process repeatedly associated with ever increasing inequality, benefiting few winners at the cost of many losers, more equitable. Yet, the goals are not

<sup>12</sup> *United Nations Development Programme (UNDP)*, Human Development Report 2005: International Cooperation at a Crossroads, 2005, at 21; *United Nations Development Programme (UNDP)*, Human Development Report 2003: Millenium Development Goals, 2003, at 60-61.

<sup>13</sup> *United Nations Development Programme (UNDP)*, Human Development Report 2003, at 61.

<sup>14</sup> *Durth/Körner/Michaelowa*, Neue Entwicklungsökonomik, at 12.

<sup>15</sup> *Durth/Körner/Michaelowa*, Neue Entwicklungsökonomik, at 12.

<sup>16</sup> *Bender*, Wachstum und Entwicklung, at 401.

<sup>17</sup> *Durth/Körner/Michaelowa*, Neue Entwicklungsökonomik, at 33-34.

<sup>18</sup> See UN, General Assembly Resolution 55/2, UN GAOR, 55<sup>th</sup> Session, 8<sup>th</sup> Plen. Meeting, UN Doc. A/56/326 ("Millennium Declaration"), 8 September 2000, paras 19-20.

<sup>19</sup> UN, General Assembly Resolution 55/2, UN GAOR, 55<sup>th</sup> Session, 8<sup>th</sup> Plen. Meeting, UN Doc. A/56/326 ("Millennium Declaration"), 8 September 2000, para. 19.



legally binding and progress on the fulfillment of the targets has been slow so far.<sup>20</sup>

## **II. Classifications of developing countries and the worldwide amount of poverty**

The group of countries commonly described as developing countries is extremely heterogeneous. There is no internationally agreed definition as to what constitutes a developing country. Neither does WTO law provide criteria for such a qualification; it rests on the self-declaration by Members. Developing country Members in the WTO include countries such as China, India, Mauritius, Bangladesh, Nigeria or Honduras, differing fundamentally in population, economic power, natural endowments, cultural background and history.

The most common categorization of developed and developing countries is provided by the World Bank.<sup>21</sup> It is based upon gross national income (GNI) per capita as sole indicator and divides countries into four groups. Countries with an annual per capita income of less than US-\$ 905 fall into the group of low-income countries. Countries with an annual per capita income between US-\$ 906 and US-\$ 3,595 are considered lower middle-income countries, whereas those with an annual per capita income from US-\$ 3,596 to US-\$ 11,115 are higher middle-income countries. The group of high-income countries is made up by economies with an annual per capita income surpassing US-\$ 11,116. As of 2005, there were 50 low-income countries and 55 lower middle-income countries. On headcount basis, 2,403 billion people with an average per capita income of US-\$ 650 were living in the former, and 2,276 billion people with an average per capita income of US-\$ 2,037 were living in the latter.<sup>22</sup>

The Least Developed Countries (LDCs) are explicitly recognized in WTO law as a special group among the developing countries. According to Art. XI:2 of the Agreement Establishing the WTO, this group is constituted by countries recognized as LDCs by the United Nations. Pursuant to documents of the United Nations Conference on Trade and Development (UNCTAD), the classification as member of this group depends upon three factors, which comprise a 3-year average GNI per capita of less than US-\$ 900, a weak index of human assets based on health, nutrition, school enrollment and adult liter-

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<sup>20</sup> For progress and evaluation of the UN Millenium Development Goals see *United Nations (UN)*, The Millenium Development Goals Report, 2006.

<sup>21</sup> For the following, see *World Bank*, World Development Report 2008: Agriculture for Development, 2007, at 331-33.

<sup>22</sup> *World Bank*, World Development Report 2008, at 334-35.

acy, and a high index of economic vulnerability due to unstable agricultural production, unstable exports and low diversification.<sup>23</sup> As of 21 December 2007, the group included 49 countries, most of them Sub-Saharan African states.<sup>24</sup> Altogether they accounted for 11.3 per cent of the world population, but only 0.6 per cent of the world GDP.<sup>25</sup> Of these countries, 32 states are currently Members of the WTO.<sup>26</sup>

Despite international efforts and initiatives, the reduction of global poverty has not met the expectations.<sup>27</sup> Moreover, sizing up the amount and distribution of poverty in the world leads to increasing complexity. Most of the poorest countries measured by per capita income are found among the LDCs.<sup>28</sup> These economies are characterized by very basic overall development across different sectors. On a headcount-basis, by contrast, the largest amount of poverty is found in Asia, particularly in China, India, Indonesia and Pakistan.<sup>29</sup> These economies show highly developed, internationally competitive sectors next to traditional and low-productivity sectors. The average per capita income in China clearly surpasses international poverty lines.<sup>30</sup> Countries with an average income above poverty lines are more easily expected to address their income and distribution problems domestically; aid schemes often are limited as donor institutions are concerned about “transfer leakages”.<sup>31</sup> China

<sup>23</sup> *United Nations Conference on Trade and Development (UNCTAD)*, Statistical Profiles of the Least Developed Countries, 2005, at 6. Countries graduate from the group if they pass graduation thresholds for two criteria in two consecutive reviews.

<sup>24</sup> For a list of the countries, see <http://www.unctad.org/Templates/Page.asp?intItemID=3641&lang=1> (1 March 2010).

<sup>25</sup> *United Nations Conference on Trade and Development (UNCTAD)*, Statistical Profiles of the Least Developed Countries, at 4.

<sup>26</sup> For a list of these Members, see [http://www.wto.org/english/thewto\\_e/whatis\\_e/tif\\_e/org7\\_e.htm](http://www.wto.org/english/thewto_e/whatis_e/tif_e/org7_e.htm) (1 March 2010).

<sup>27</sup> From 1987 to 1998, the worldwide share of people living on less than US-\$ 1 per day fell from 28 per cent to 24 per cent. In absolute terms, the number of people living of less than US-\$ 1 per day did not fall due to population growth. Whereas East Asia, the Middle East and North Africa managed to reduce poverty incidence, it increased significantly in South Asia and Sub-Saharan Africa (*World Bank*, World Development Report 2000/2001, at 21-23).

<sup>28</sup> Apart from LDCs, international aid schemes often concentrate on two other subsets of developing countries. These are the group of heavily indebted poor countries and countries in Sub-Saharan Africa. Both groups have significant overlap with the LDC group. An aggregation of all three groups of “at-risk countries” includes 64 countries with a population of 1 billion people of which 720 million live in poverty (*Cline*, Trade policy and global poverty, 2004, at 15).

<sup>29</sup> *World Bank*, World Development Report 2008, at 334-35. The aggregated number of the poor in the 46 states in Sub-Saharan Africa is 470 million. Taking India and China alone, there are 1.5 billion poor people (*Cline*, Trade policy and global poverty, at 12, 16-17; estimates are based on the US-\$ 2 per day definition applied by the World Bank).

<sup>30</sup> The 2005 GNI per capita in China amounted to US-\$ 2,010 (*World Bank*, World Development Report 2008, at 334). The 2005 GNI per capita in India reached US-\$ 820, therefore just passing the poverty threshold of US-\$ 2 per person per day.

<sup>31</sup> *Cline*, Trade policy and global poverty, at 17.