

H. THE QUESTION OF POSSIBLE PARALLEL OBLIGATIONS ON THE PART OF THE DEVELOPING COUNTRIES

137. While it is generally agreed that developing countries should not have to grant reciprocal concessions in favour of the developed countries in connexion with establishment by the latter of a general system of preferences, it has been suggested that such a new preferential system would be of little use to many developing countries if they themselves were not to take some action on their part. In particular, it has been stated that exports of industrial products to the developed world can hardly be successful if a developing country feels that it continues to need very high protection against the outside, and particularly other developing countries. Secondly, it has been pointed out that many features of the governmental policies and practices of many developing countries make it unlikely or impossible to increase industrial exports to the developed world, even if a system of preferences were established. Accordingly, it may be said that if UNCTAD action is to lead to an effective increase of industrial exports to the developed world, both the developing and the developed countries would have to assume their respective responsibilities.

138. It cannot be denied that various developing countries are already undertaking action to expand trade among themselves and to adapt their governmental policies to the need for increased exports. It may consequently be considered that the developing countries will quite naturally take additional autonomous action in this direction. On the other hand, it may also be considered that the likelihood of such action occurring in the near future would increase if the developing countries were to undertake, towards the international community, formal pledges to this effect. This might have the additional advantage of showing public opinion that the establishment of a preferential system is part of a joint effort to improve the developing countries' opportunities for increased external earnings.

139. With respect to the creation of better conditions for trade expansion among developing countries, the need for some parallel action on the part of the developing countries has already been recognized in resolution 32 (IV), adopted at the fourth session of the Trade and Development Board. This envisages that countries would "define the action programmes that might be adopted by the time of the Second Conference". Since the conditions in the various regions of the developing world are different, such action programmes would have to take this into account and might profitably base themselves on what is already undertaken by various groups of countries. Conceivably, however, developing countries might want to consider including in such action programmes certain measures that might be applicable to all the regions. An example of such an undertaking might be to reduce the protection level towards other countries of the same region to a certain ceiling on all those products which a particular developing country succeeded in exporting to the developed world in substantial quantities. If a developing country is able to stand competition on the markets of the developed world, it would indeed no longer need excessive protection against other developing countries. There are, however, certain problems in implementing this idea which have been examined in another context (see TD/B/85, Chapter V, paragraphs 48 to 51). Another undertaking of a more general nature as regards trade expansion among developing countries might consist in a declaration of willingness on the part of the more-advanced developing countries to grant preferences to the less-advanced ones.

140. With respect to the elimination of features of national policies that are detrimental to exports, it might be possible to envisage laying down a certain number of guidelines as to what constitute sound policies for the export of industrial products. Formal action might be envisaged for the establishment of agreed guidelines or a kind of code which would list the various practices which developing countries should avoid in their export policies as well as the positive measures which would have to be taken for a successful policy of export promotion. Of course, some of these guidelines may not have the same binding force as the measures which the developed countries undertake in establishing a system of preferences. Nevertheless, such policy guidelines might form the basis for a review procedure in which the developing countries might report on what they have done to implement them. Such procedures have, for instance, been practised successfully in the past in other contexts and by providing for them in the framework of UNCTAD, they might increase the chances that the establishment of a preferential system would actually lead to a substantial