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# Free Trade and the Puzzle of Development.

'We've had Free Trade for the last fifty years and today most people are living in a condition of more or less abject poverty, and thousands are literally starving. When we had Protection things were worse still. Other countries have Protection and yet many of their people are glad to come here and work for starvation wages. The only difference between Free Trade and Protection is that under certain circumstances one might be a little worse that the other, but as remedies for Poverty, neither of them are of any real use whatever, for the simple reason that they do not deal with the real causes of Poverty' (Robert Tressell - The Ragged Trousered Philanthropists).

## 1. Introduction

It is widely assumed that free trade is an important strategy towards development. The purpose of this lecture is to look closely at this assumption, analysing empirical reality as well as several of the theories dealing with this potential link between free trade and development.

In more detail, in the following section I will first provide an overview of developments in free trade since 1945 with a particular emphasis on recent changes towards an expanded version of free trade as part of globalization. Then, I will discuss various theories and the different ways they understand the link between free trade and development, before I focus on increasing resistance against free trade agreements since the meeting of the World Trade Organisation (WTO) in Seattle in 1999.

## 2. Developments in Free Trade

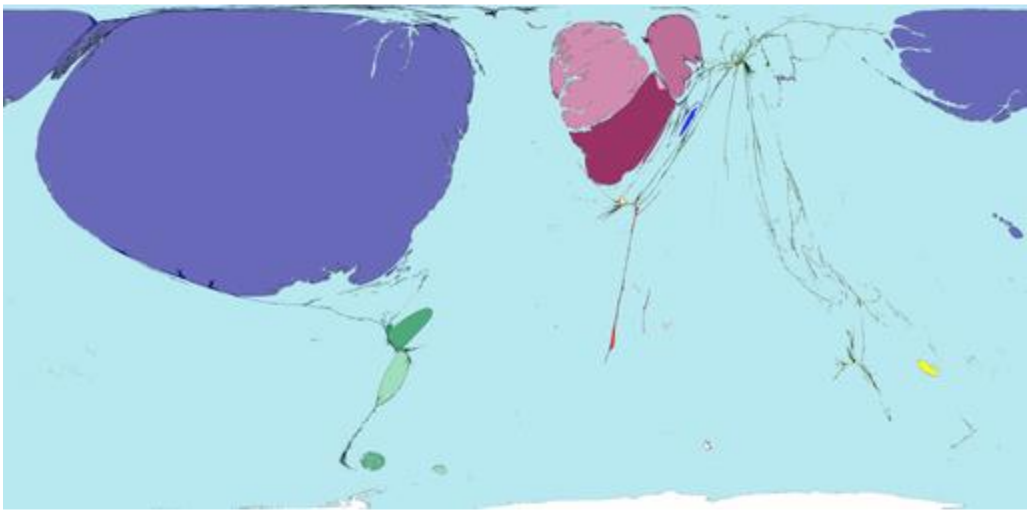
The promotion of free trade after World War Two was initially part of what John G. Ruggie (1982) called the post-war compromise of 'embedded liberalism'. On the one hand, countries within the Western bloc under the leadership of the USA committed themselves to increasing interdependence of national economies. On the other, safeguards were put in place within this international system, which allowed countries to intervene into their national economies in order to ensure full employment and domestic stability at home. Thus, the compromise of ‘embedded liberalism’ represents a combination of national economic sovereignty and a stable international economy fostering openness. ‘Embedded liberalism’ represented a form of multilateralism, which was compatible with domestic stability.

In relation to the General Agreement on Tariffs and Trade (GATT), the idea of free trade as beneficial for everybody was combined with the national right to intervene in the economy to ensure domestic stability and social order. On the international side the compromise included the expansion of trade through a step-by-step reduction of tariff barriers. Under the remit of GATT several successive negotiations including (1) the Dillon Round in 1960-2; (2) the Kennedy Round in 1963-7, (3) the Tokyo Round in 1973-9, and (4) the Uruguay Round in 1986-93 led to a steady lowering of tariff barriers. The overall goal was a multilateral world trade regime for the conduct of commercial policy. On the domestic side, escape provisions provided protection against policies harmful to domestic stability. For example, quantitative restrictions, in general prohibited, were allowed to protect balance of payments difficulties that resulted from domestic policies intended to ensure full employment. Moreover, countries were allowed to form regional customs unions and ‘free trade’ areas, and a blanket exemption was allowed for all existing preferential arrangements. Thus the European Economic Community could establish its Customs Union during the 1960s, in which all tariff barriers between members were abolished and a common external tariff established, without infringing GATT provisions. As such, the possibility of safeguarding domestic development and employment worked well for industrialised countries, which succeeded in establishing welfare states based on a compromise between capital and labour.

In contrast to the so-called Bretton Woods system of relatively fixed exchange rates, which had collapsed in the early 1970s when the USA were no longer willing to provide the dollar as the anchor currency, multilateral co-operation continued within GATT throughout the 1970s and 1980s. It was the GATT Uruguay Round, concluded in 1993, however, which dramatically changed the international free trade agenda, including significant institutional as well as policy changes. First, similar to the International Monetary Fund (IMF) and the World Bank in the area of international finance, an international organization with responsibility for trade was supposed to be established after 1945. Nevertheless, this did not materialise as the US Congress denied its agreement. In 1995, however, the World Trade Organisation (WTO) (http://www.wto.org/) was set up to oversee governance of global trade. Importantly, this included the establishment of a supranational dispute settlement mechanism, characterised by mandatory jurisdiction, fixed timetables and automatic retaliation in case of non-compliance, combined with an appeal body able to reverse initial rulings. These arrangements of transnational governance contradict the compromise of 'embedded liberalism' in that they undermine national sovereignty (Mortensen 2006: 175).

Second, the Uruguay Round expanded the remit of GATT and then the WTO into the areas of intellectual property rights, services as well as investment. Thus, the Uruguay Round included the trade-related intellectual property rights (TRIPS) accord (http://www.wto.org/english/tratop_e/trips_e/trips_e.htm). This provides strong protection of the ownership of intellectual knowledge, giving companies in leading high-tech sectors a longer position of monopoly in relation to their new technologies and some protection against the 'piracy' of these technological advances. At the same time, it makes it more difficult and expensive for developing countries to get hold of latest technology for their own development. The unequal control over technology and ideas is evident from the map below.

**Figure 1: Royalties and Licence Fees Exports**



Source: http://www.worldmapper.org/display.php?selected=99

Critics of TRIPS highlight not only its detrimental impact on development, but also problems such as providing the needy in poor countries with affordable, latest medical products. Especially the treatment of HIV infected people in Africa is a case in point here.

The services sector has become increasingly important as an area of economic growth vis-à-vis traditional manufacturing. This is especially the case in developed countries, but the services sector of developing countries too has become an interesting area often for TNCs from the North. In order to regulate this area of global trade, the General Agreement on Trade in Services (GATS) (http://www.wto.org/English/tratop_e/serv_e/serv_e.htm) was integrated into the agenda of the WTO. So far, it is a very loose agreement giving states the right to identify those sectors, which are not part of the agreement. Nevertheless, there are moves to deepen this agreement and developing countries find it often difficult, if not impossible, to resist the demands of developed countries to open up their services sector in exchange for development aid. Finally, the Agreement on Trade-Related Investment Measures (TRIMs) (http://www.wto.org/english/tratop_e/trims_e.htm) focuses on measures that affect trade in goods. All investment measures that have 'trade-restrictive and distorting effects' are prohibited. This makes it impossible for countries, for example, to put forward local content requirements.

Arguably, these changes have dismantled the compromise of 'embedded liberalism' in that they undermined state sovereignty and abolished the principle of permitting states to intervene into their own economy in order to obtain full employment and achieve domestic stability. Instead, critics have argued, the new agenda of transnational dispute settlement and extension of transnational governance into the area of intellectual property rights, services and investment has to be regarded as part of the general neo-liberal hegemony at the global level, which includes international organizations such as the WTO pushing more and more countries down the road of neo-liberal restructuring.

Unsurprisingly, these changes authored by developed countries such as the USA, the European Union as a whole, international organizations as well as agents of transnational capital have not gone unchallenged. Open unrest erupted around the 1999 WTO meeting in Seattle. The Doha Round, launched in 2001, which was supposed to deepen GATS and include agriculture in the global trading regime, has been stalled for years. Especially the failure of the WTO Cancun conference in September 2003 is characteristic for the current problems. There was no agreement on a Ministerial Text, because a group of emerging economies, including Brazil, Argentina, India, South Africa and China refused to co-operate on investment, competition policy, and transparency in government procurement issues, while agriculture was not addressed satisfactorily from their point of view. The WTO Hong Kong conference in December 2005 made only minimal progress and general negotiations had broken down by July 2006. A further attempt to conclude the negotiations failed in July 2008. With multilateral free trade talks on ice, the USA and the EU have increasingly focused on negotiating bilateral free trade agreements with individual developing countries or group of countries. Importantly, these negotiations include the qualitatively expanded free trade agenda, thereby putting restructuring pressure on 'partner' countries. For example, the EU's free trade strategy Global Europe, adopted in 2006, has had the explicit goal of securing new markets for European exports in services, public procurement and investment, as well as to guarantee the protection of intellectual property rights (Bieler 2013a).

In his book *The Globalization Paradox* (2011), Dani Rodrik distinguishes between shallow and deep integration with the former referring to a system in which there is room of manoeuvre for national governments to decide to some extent on the policies best for a particular country, while the latter indicates a situation in which the global economy dictates the requirements of liberalisation and deregulation to national governments as the most important policy. When contrasting the post-war compromise of 'embedded liberalism' with the post-GATT Uruguay period we can distinguish an 'embedded' 'free trade' regime and a disembedded 'free trade' regime. On the one hand, a system of embedded 'free trade' can be conceptualised in which a commitment to trade is combined with objectives such as full employment, human rights, provision of public services, etc. 'International economic policy would have to be subservient to domestic policy objectives – full employment, economic growth, equity, social insurance, and the welfare state – and not the other way round' (Rodrik, 2011: 70). The post-war period of 'embedded liberalism' is a concrete example of embedded trade. On the other hand, the post-1993 expanded trade regime represents a system of disembedded 'free trade', in which the exclusive focus is on 'free trade' and the related liberalisation and deregulation of national economies permeates the whole economic political system. Protection of infant industries, demands for joint ventures or regulations on local input are mostly prohibited and capital flows are not regulated.

In the next section, I will look at several theories of International Political Economy and the ways they conceptualise the potential link between free trade and development.

**Think points**

- In what way and to what extent does national economic sovereignty remain important?
- Does the current stalemate in the Doha negotiations round signify that the WTO is no longer able to govern international trade?

## 3. Understanding Free Trade

The idea that free trade is the best way towards development is based on the (neo-) liberal understanding of capitalist development, regarding free trade as a win-win situation, a positive-sum game. As the British political economist David Ricardo famously argued, if every country concentrates on producing and exporting at what it is best, i.e. its comparative advantage, and engages in trade for all other necessities, an optimum outcome with everybody benefiting will be the result.

**David Ricardo and the theory of comparative advantage:**

The British political economist David Ricardo (1772 1823) argued in his book *On the Principles of Political Economy and Taxation* (1817) that although Portugal could produce both cloth and wine with less amount of labor than England, both countries benefit from trade with each other. Because the comparative advantage for Portugal with England is greater in the production of wine than in cloth, it still makes sense for Portugal to produce excess wine and trade that for English cloth. England in turn benefits from this trade, because while it still costs the same to produce cloth, the price for wine has been brought down considerably (for a detailed explanation and example, see O'Brien and Williams 2013: 76-7).

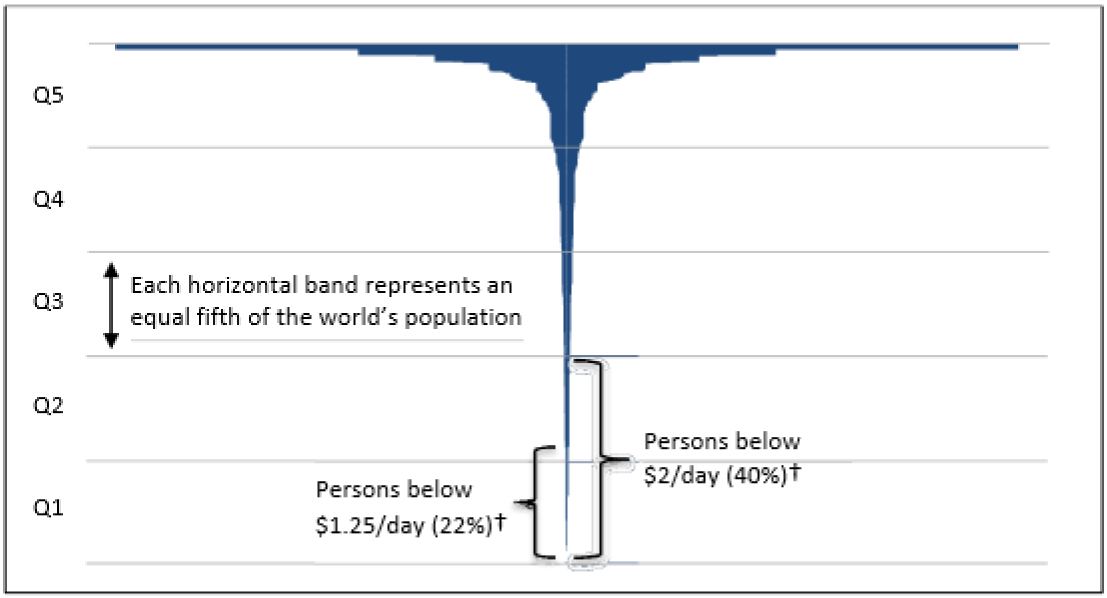
In 1960, Walt Rostow published the book *The Stages of Economic Growth: A Non-Communist Manifesto*, in which he postulated that all societies go through five stages of development: (1) traditional society; (2) preconditions for take-off; (3) take-off; (4) drive to maturity; and (5) age of high mass consumption. The focus on a few leading industries during the take-off period are closely in line with Ricardo's suggestion that countries should focus on producing at what they are relatively best. Following this line of thinking, all countries, as long as they follow the road of free trade will inevitably reach the same level of economic development. It is just a matter of time. Neo-liberal economic thinking about expanding free trade in times of globalization, as exemplified in the negotiations of the WTO Doha Round, builds on this understanding. States should refrain from intervening into the economy and deregulate and liberalise markets including services, financial and labour markets in order to facilitate free trade. This will result in the development of all countries around the world.

Trade has constantly grown after 1945 until the onset of the global economic crisis in 2007. 'Growth in world trade consistently outstripped growth in world production. In this period, world production doubled but international trade grew more than fourfold' (O'Brien and Williams 2013: 115). Nevertheless, has this growth in trade resulted in significant development of less advanced countries? Empirically, the positive assumptions by liberal free trade theory are not borne out. Although the expanded free trade regime has become increasingly dominant since the mid-1990s, the results are far from impressive. In a study by the British NGO War on Want (http://www.waronwant.org/), it is illustrated that global economic growth in the 1980s and 1990s, the time of neo-liberal globalization and the expanded free trade regime, is slower than in the 1960s and 1970s. Moreover, 'the number of people unemployed and the number in unstable, insecure jobs has actually increased – from 141 million to 190 million (1993 to 2007) and from 1,338 million to 1,485 million (1997 to 2007) respectively' (War on Want 2009: 4). Especially developing countries lost out during this period. Instead of development, trade liberalization resulted in the deindustrialization of many countries, making them increasingly dependent on imports. Trade liberalisation in Africa and Latin America during the 1980s and 1990s, for example, led to widespread job losses, increasing unemployment and declining wages in both continents (War on Want 2009:

5-13). While trade liberalisation as part of the North American Free Trade Agreement led to the creation of jobs in the labour-intensive maquila-manufacturing sector in Mexico, 'they were offset by vast job losses for agricultural workers. Employment in agriculture fell from 8.1 million in the early 1990s to around 6 million in the first quarter of 2006' (War on Want 2009: 13).

Inequality between countries at the global level is vast. In a recent study, Isabel Ortiz and Matthew Cummins point out that 'the wealthiest 61 million individuals (or one percent of the global population) had the same amount of income as the poorest 3.5 billion (or 56 percent) as of 2007' (2011: 20). This global inequality is well presented in Figure 2.

**Figure 2: Global Income Distributed by Percentiles of the Population in 2007 (or latest available) in PPP constant 2005 international dollars**




Source: Ortiz and Cummins 2011: 21.

Long-term assessments of global inequality note that there has been a constant increase from 1820 to 2002 and while Ortiz and Cummins note a marginal improvement in recent years, they nonetheless conclude that 'it would take more than 800 years for the bottom billion to achieve ten percent of global income under the current rate of change' (2009: VII). Moreover, inequality within many countries is on the rise. 'Middle-income countries appear the most unequal. Gini index trends show that Eastern Europe/former Soviet Union and Asia had the largest increases between 1990 and 2008. Latin America remains the region with the highest level of income inequality, although the region is marked by significant improvement since 2000' (Ortiz and Cummins 2011: VII). Importantly, strong economic growth does not automatically imply a decrease in inequality, as the cases of China, India and the USA indicate. 'In all three cases, significant and sustained economic growth (annual GDP per capita growth of 9.8, 6.0 and 3.1 percent, respectively, between 1990 and 2005) has not led to more equal societies, but rather made the rich relatively richer and the poor relatively poorer' (Ortiz and Cummins 2011: 31).

As Anwar Shaikh makes clear, rather than drawing on the notion of 'comparative advantage', it is necessary to refer to the concept of 'competitive advantage', when analysing the underlying dynamics of free trade.

> There are no magic mechanisms that will automatically make all regions (nations) automatically equal. Indeed, persistent trade imbalances covered by foreign capital flows are the 'normal' complement of international trade between unequally competitive trade partners. Thus, free trade does not make all nations equally competitive, as is argued within standard trade theory. Rather, it exposes the weak to the competition of the strong. And as in most such cases, the latter devour the former (Shaikh 2007: 57).

Historical evidence confirms that developed countries relied heavily on protectionism and did not abide by patent laws in their own development. 'They generally championed free trade only when it was to their economic advantage' (Shaikh 2007: 60). Market leaders, often in areas of new technology, have a competitive advantage and are, therefore, interested in 'free trade' and 'open competition'. Rather than a scientific understanding of capitalist development, (neo-) liberal free trade theory is unmasked as an ideology in the service of the rich in industrialised countries.

An alternative way of conceptualising the link between free trade and development is dependency theory. Andre Gunter Frank (1967/1969), one of its most significant proponents, coined in the late 1960s the powerful notion of 'development of underdevelopment'. Rather than resulting in development of 'backward' countries, free trade, he argued, actually linked peripheral countries in the global economy to countries in the core in a relationship of unequal exchange, in which surplus generated in the periphery was systematically transferred to the core. While development levels continued to increase in the core, more and more underdevelopment resulted in the periphery. As powerful as this approach was, however, and as many followers it had especially in Latin America, a continent integrated in free trade since the early 19th century with little development to show for it, the assumptions of dependency theory too were not reflected in empirical reality. First, it was the rise of the so-called four Asian tigers of Hong Kong, Singapore, South Korea and Taiwan, which enjoyed high economic growth rates since the early 1960s, illustrating that development was possible in the international economy. More recently, it is the 'rise' of the BRICS countries, i.e. Brazil, Russia, India, China and South Africa, and here especially China and India, which disproves this notion of increasing underdevelopment. In whatever way Chinese development is assessed, it is impossible to deny that significant development has taken place since the late 1970s. Hence, I will introduce a further conceptualisation of the link between free trade and development, the historical materialist notion of uneven and combined development (U&CD).

It was Leon Trotsky, who introduced the notion of uneven and combined development in his book *Results and Prospects* in 1906, when analysing the particular location of Russia within the world economy. From the late 19th century onwards, a number of small pockets of highly developed industries especially in military related production were established around Moscow and St. Petersburg as a result of foreign pressure by more developed neighbours in the West. 'The Russian State, erected on the basis of Russian economic conditions, was being pushed forward by the friendly, and even more by the hostile, pressure of the neighbouring State organizations, which had grown up on a higher economic basis' (Trotsky 1906/2007: 27). Hence, capitalist expansion led to combined development as a result of peripheral space being drawn into the capitalist social relations of the core. However, these pockets of highly developed industry were emerging within a country still based on a large sector of inefficient agriculture. This economic backwardness illustrated the unevenness of development in relation to advanced Western countries.

In his later book *The History of the Russian Revolution* (1932), Trotsky returned to processes of uneven and combined development in more detail. He argued that backwardness in a general situation of unevenness can actually be an advantage, as 'the privilege of historic backwardness – and such a privilege exists – permits, or rather compels, the adoption of whatever is ready in advance of any specified date, skipping a whole series of intermediate stages' (Trotsky 1932/2008: 4). Thus, Trotsky indicates the possibility that countries can catch up with the development of others in this process and identifies Germany and the United States, which had overtaken the frontrunner England in industrial production by the end of the 19th century. Neil Davidson adds the examples of Italy and Japan, as well as Scotland, the latter having been able to draw on England's earlier accomplishments. At the same time, he warns against generalising, for example, from the Scottish experience. 'No other country would ever complete the transition from feudal agriculture to capitalist industrialisation so quickly or completely. The moment was too brief, the result so uniquely decisive, for any theoretical generalisation from this experience to be possible' (Davidson 2006: 13). In short, there are only a few examples of countries, which have succeeded in developmental catch-up.

These were generally located in the core of the world economy with the possibility of participating in imperialist expansion to sustain this process of catch-up.

China is often presented as a developmental success story and indeed, Chinese economic growth with double digit levels of GDP increases year on year is very impressive. What is often overlooked, however, is first that uneven and combined development as a key dynamic of the capitalist social relations of production is not only taking place between countries and regions but also within countries. Especially processes of combined development are being played out at the national level. ‘They may have adopted the most modern forms of technology, industrial organisation and scientific thought in certain areas, but most of society remains at a much lower level’ (Davidson 2006: 211). Hyper-modern coastal regions are counterpoised to backward inland areas in China and developmental catch-up is unlikely. As for GDP per head, for example, the gap between China and the US is enormous. In 2010, ‘China’s $4,260 was only 9 percent of the US’s $47,240’ (Hardy and Budd 2012). In short, from an U&CD perspective, ‘capitalist expansion is a dynamic but also an uneven process, and in contrast to the neo-liberal (and pro-globalization) positions, this unevenness is not seen as a result of market imperfections, but is in fact a product of the way competitive markets work in the real world’ (Kiely 2007: 18). Related back to the empirical information presented above, it becomes clear that while development combined with advanced industrialised countries is possible, it is also highly uneven.

This unevenness of development and the high level of inequality resulting especially also from expanded free trade agreements has led to increasing levels of resistance to be discussed in the next section.

**Think points**

- Considering that empirical reality does not confirm liberal assumptions of free trade as a win-win situation, why has this particular understanding of free trade remained predominant in policy-making?
- Is it possible to overcome the unevenness of development within capitalism?

## 4. Resisting Free Trade

Capitalist expansion has always encountered resistance. The demonstrations at the WTO meeting in Seattle in 1999, however, are regularly referred to as the starting-point of a more global resistance movement against restructuring. Considering the expansive nature of post-1993 free trade agreements, it is not surprising that the WTO was the first target of this resistance movement. The following youtube video clip illustrates well the seriousness of the demonstrators, including the old and young, men and women right across society. It also shows the heavy police presence on the ground and the extent to which the rich and powerful are prepared to go and use open force in defending their trade system of privileges for the few and poverty for the many. Importantly, the slogan 'Teamsters and Turtles united' was coined at Seattle, referring to the co-operation between the labour and environmental movements in resisting the expanded free trade agenda.


1999 Battle of Seattle

The fact that the WTO Doha negotiations have ultimately run into the ground is also very much the result of increasing global resistance against expanded free trade, started at Seattle in 1999 and vigorously continued by large networks such as Our World Is Not For Sale (http://www.ourworldisnotforsale.org/), including both trade unions and other social movements.

An important step in the formation of what some refer to as the movement of movements was the first World Social Forum in Porto Alegre/Brazil in 2001. It was soon emulated in a range of regional, national and sub-national social forums including the first European Social Forum in Firenze/Italy in November 2002 (Bieler and Morton 2002). The specific purpose of social forums has been to bring together different movements such as trade unions, social movements like the small farmers' organisation La Via Campesina and environmental groups to share their analyses of the situation and work towards joint actions. Nevertheless, the fact that the current global economic crisis since 2007/2008 has not resulted in widespread resistance also indicates that the movement of movements has to some extent run out of steam. First, the social forum process has been increasingly criticised for only talking without taking any concrete political decisions. It carries on at the global level, but there have been no further social forums planned at the European level since the last meeting in Istanbul in 2010. Second, the 'Teamsters and Turtles alliance' between trade unions and environmental movements has not always held. The perceived need of access to cheap energy by industrial trade unions, be it based on fossil fules, be it through neclear energy, so that their industries remain competitive has often brought them into conflict with green NGOs. An interesting new initiative to overcome these tensions is *Trade Unions for Energy Democracy* with the goal 'to advance democratic direction and control of energy in a way that promotes solutions to the climate crisis, energy poverty, the degradation of both land and people, and the repression of workers' rights and protections' (http://energydemocracyinitiative.org/). Third, while the resistance movement was successful in blocking the WTO Doha negotiations, they have been much less effective vis-à-vis the proliferation of bilateral free trade agreements, which often go even beyond the expansion of the free trade agenda as envisaged by the WTO (Choudry 2014). Finally, there have been increasing tensions within the international labour movement over free trade agreements between trade unions in the Global North and labour movements in the Global South. While European trade unions, for example, tend to support the EU's Global Europe free trade agenda arguing that opening up new markets for European exports would secure European jobs, labour movements in the Global South are heavily opposed understanding that the expanded free trade agenda results in deindustrialization and the loss of manufacturing jobs in their countries (Bieler 2013a, Hilary 2014; see also Bieler, Ciccaglione, Hilary and Lindberg 2014).

Most recently, there has been a re-newed effort at implementing the extended free trade agenda through regional, multilateral free trade agreements, including most importantly the negotiations of a Trans-Pacific Partnership Agreement (TPPA) (see, e.g., https://www.citizen.org/TPP) as well as a US-EU Transatlantic Free Trade Agreement (TAFTA) (see, e.g., http://www.globalresearch.ca/the-us-eu-transatlantic-free-trade-agreement-tafta-big-business-corporate-power-grab/5352885). The increasing inclusion of so-called investor-state dispute settlement provisions, which allows companies to sue states, if they feel that a policy decision undermines their profits in this country, are only one of the key dangers of these treaties (Hilary 2013: 45-54). In view of these new dangers, it will be important that resistance movements overcome their tensions, outlined above, and work together towards an alternative trade regime. Interestingly, within Europe the Alternative Trade Mandate alliance (http://www.alternativetrademandate.org/) published in November 2013 its proposal for an alternative trade mandate for the EU *Trade: time for a new visions*.

The following vimeo video outlines some of the alternatives put forward:


Finally, the Bolivarian Alliance for the Americas (ALBA) is already one practical example of an alternative trade regime. At its beginning in 2004, this was a treaty between Venezuela and Cuba with the former providing petroleum to the latter at very favourable prices in exchange for doctors and teachers from Cuba, working in some of Venezuela's poorest states. Importantly, direct negotiations between the two countries had replaced a reliance on prices set by the market and, therefore, directly challenged capitalist dynamics. A focus on social welfare replaced the focus on profits by neo-liberal economics. Since then, ALBA has expanded, including now also countries such as Bolivia, Ecuador and Nicaragua. 'Among its most resounding successes is the literacy campaign, the noticeable improvement of health standards and the progressive development of its own system of payment, the SUCRE currency, and the creation of the ALBA Bank' (Daza 2012: 9).

**Think points**

- Why have resistance movements found it difficult to oppose bilateral free trade agreements in contrast to the WTO Doha negotiations?
- What could the key principles of an alternative, fair and socially just trade regime look like?

## Conclusions

The core findings of this lecture can be summarized as follows:

- the post-1993, GATT-Uruguay period has witnessed a change in the international free trade regime towards an expanded, disembedded free trade regime including not only the trade in goods, but also in services and finance;
- the liberal theory regarding free trade as a win-win situation as long as every country concentrates on its comparative advantage is not reflected in empirical reality. Great levels of inequality exist between and within countries in contrast to the liberal expectation that all countries will ultimately reach the same development level;
- the conclusions of dependency theory that peripheral countries inevitably end up in a situation of deepening underdevelopment is also not proven by empirical reality considering, for example, the development of China over the last 30 years;
- global development, as pushed in free trade policies, is uneven and combined. Development of countries in the periphery is combined with development in the core as a result of capitalist expansion, but while it takes place, the results are also extremely uneven;
- resistance since Seattle in 1999 has increased, but while the conclusion of the WTO Doha Round has been prevented, the expanded free trade regime has been further extended through bilateral free trade agreements;
- most recent challenges include the negotiations of a Trans-Pacific Partnership Agreement and a Transatlantic Free Trade Agreement;
- possibilities for concrete alternatives are represented in the Alternative Trade Mandate document as well as in the Bolivarian Alliance for the Americas (ALBA);

**Recommended reading**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## Further reading

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