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The Instability of Commodity Prices for Developing Countries in WTO Trade Policies

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ABSTRACT

The detailed examination of such a subject will be carried out on the basis of a fundamental problem, which will thus serve as a guideline in the presentation of the ideas which should underlie the approach. In this case, it concerns the question of the links between the instability of commodity prices for developing countries and WTO trade policies. In other words how the WTO's trade policies fight against instability of raw material prices, particularly in developing countries through STABEX and SYSMIN ?

Thus the problem of method is at the heart of any scientific work as it is true that the method sheds light on the hypotheses and determines the conclusions, our approach will be ordered with a few exceptions around the use of the analytical and exegetical but also comparative method. It is understood as the analysis, interpretation and explanation of the rules of law, particularly those contained in the various legal texts of the GATT and the WTO.

As for the expected results, it will firstly involve studying STABEX and SYSMIN in the Lomé conventions (Section I), then to see the regime derogating from the principles of multilateralism and the original commercial instruments of STABEX and SYSMIN (Section II).

KEYWORDS : GATT, WTO, STABEX, SYSMIN, Trade Policies.

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STABEX AND SYSMIN IN THE LOME CONVENTIONS

When in 1975, with the accession of the United Kingdom and therefore the subsequent integration of the Commonwealth countries, the European countries decided to overhaul the modalities of their cooperation, they fundamentally innovated. This is how a system of trade preferences[1] that is particularly favorable to ACP countries has been put in place. Non-reciprocal tariff preferences[2] are granted to ACP exports to the EU: most products from ACP countries are exempt from all customs duties. This represents 90% of exports originating from ACP countries. This privilege is remarkable and fundamental because, through this process, the EU renounces part of its economic sovereignty. In addition, ACP productions become significantly more competitive, since they are not burdened with an additional tax at the border.

In order to ensure the true origin of products, the Community has put in place very strict rules of origin : products must incorporate 85% of the ACP national component. This allows the Community to ensure that the products actually come from ACP countries.

[1] Devoluy, P. (2004). *European economic policies.* Seuil.

[2] It was item VII of Lomé I which provided for this non-reciprocal preferential regime: "taking into account the current needs of their development, the ACP States are not required to subscribe during the duration of this Convention, with regard to the "import of products originating in the Community, to obligations corresponding to the commitments made by the Community, under this Chapter, with regard to the importation of products originating in the ACP States".

The Community admits, however, that the added value of the product involves several ACP countries, thus relaxing the more rigorous rules of its generalized system of preferences (GSP) towards the ACP countries.

The regime also provides for the establishment of a system to compensate for the deficit in export revenues resulting from price fluctuations on world markets, in particular Stabex[3] (agricultural production) and Sysmin[4](mining production). Concretely, this policy aims to support the income of producers in ACP countries, who are guaranteed a stable income in all circumstances.

In addition, protocols favorable to ACP exports in sectors such as sugar, beef and bananas, thus taking into account the specialization of production sectors in ACP countries, are adopted. Added to industrial products, it is therefore 99% of their exports which benefit from an entry free of customs duties, nor quantitative restrictions subject to agricultural quotas. These protocols constitute a substantial departure from the principle of community preference which governs the conduct of the common agricultural policy (CAP)[5].

The Lomé conventions also include an aid component allowing financing of the economic and social infrastructures necessary for the economic development of ACP countries. By supporting exports from ACP countries and participating in the establishment of infrastructure, the Lomé system sought to produce a multiplier effect for the economies of Southern countries, by encouraging the establishment of private investors.

While it is true that controversies exist regarding the results of the agreements, the strengthening of the activities of private donors remains an incontestable fact, but insufficient in itself to produce a positive result.

The mechanisms put in place to stabilize export revenues very quickly showed their limits. Indeed, the attempt to curb fluctuations in the prices of raw materials was unsuccessful, due to the insufficiency of the payments made. In fact, the sums allocated via the European Development Fund (EDF) were only partially spent, due in particular to management which was considered somewhat heterodox...

Furthermore, despite preferential access to Community markets, the trade balance of the ACP countries has on the whole deteriorated significantly, due to the excessive specialization of the ACP countries which have not been able to anticipate the real needs of global markets. This deterioration is also explained by the difficulties for ACP producers in making their production competitive, which has remained, despite the efforts of the Community, not very competitive. Producers have been criticized for not offering a quality offering, while production from newly industrialized countries is flooding world markets. Preferential access has not made it possible to increase the agricultural market shares of ACP countries in the Community because the latter has considerably reduced its imports of primary products to turn to high value-added production. Productivity as well as the undeniable success of the CAP enabled the Community, from the beginning of the 1970s, to achieve self-sufficiency and internal supply. Furthermore, the liberalization of trade imposed in the mid-1990s led to the continual lowering of customs duties as well as their consolidation in accordance with the requirements of multilateral trade, thus making the trade preferences regime infinitely less attractive.

It is therefore the very efficiency of the preference mechanism which is in question to the extent that the ACP countries have not derived from them an optimal allocation of their resources. Ultimately, the evolution of EU - ACP cooperation has resulted in a

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[3] Stabex guaranteed export revenues for around fifty basic agricultural products. For a product to benefit from the mechanism, the share of said product in export earnings must have represented at least 5% of total exports. Once eligibility is established, compensation is granted when revenues have reduced by at least 5% compared to the average of the previous six years.

[4] Regarding Sysmin, it covered 8 mining products. The mechanism covers products that contribute 15% to the country's export earnings for at least two consecutive years. The subsidy is granted when export revenues decline by at least 10%.

[5] Within the Community, the CAP constitutes a common policy which falls within the exclusive competence of the EC. Within the framework of this policy, based on the fundamental principle of community preference, community agricultural production is protected, thanks to a high price policy in the internal market and the initial practice of levies, which become customs duties, at the against imported production.

growing marginalization of most ACP countries within the world and even European economy. In this respect, it is remarkable to note that among the fifty countries classified in the UN category of LDCs, thirty-nine belong to the ACP group. The impact of trade preferences has not had the expected results. The share of the ACP countries on the Community market declined : from 6.7% in 1975, it fell to 3.9% in 1990 and only represented 2.7% in 1995, closely behind the 2% represented by Africa in world trade. In addition, more than half of total exports (60%) from the ACP zone concerned only around ten products.

This impoverishment of ACP countries leads to criticism of the effectiveness of the economic conditionalities introduced in Lomé IV. The Community believed it saw, in the recommendations of the Bretton Woods institutions[6], a tool in the service of development. Having only very partially satisfied the expectations of the various partners and suffering from criticism from WTO member states, the Lomé agreement required an overhaul which was carried out by the new EC - ACP partnership agreement.

As we have seen, the Lomé agreements were strongly marked by their time. Indeed, if the historical ties which united the partners have long prevailed, the turning point of the 1980s marks the interest of Europeans for other continents and other cultures. This situation has generated a gradual relaxation of cooperation. Furthermore, the ACP countries have difficulty supporting the establishment of conditionalities which they experience as putting their economic and societal choices under control. They suspect rich countries, which hide behind concepts of human rights, of wanting to interfere in their internal affairs, thus breaking the principle of equality of partners, the cornerstone of their cooperation.

Alongside the internal weakening of the agreement, the trade preferences regime is increasingly criticized because it is considered non-compliant with the rules of the General Agreement on Tariffs and Trade (GATT)[7]. Until 1993, in fact, the contracting parties to the GATT showed a lot of tolerance towards the Lomé system.

In 1993, seized of a complaint from Latin American countries and the United States (EU) against the regime applied by the EU to banana imports[8] within the framework of the common market organization (CMO) for “bananas”, The Panel[9] found that the EU's

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[6] From the 1980s, to deal with international debt, the International Monetary Fund, a monetary body created by the Bretton Woods agreements in 1944, recommended the implementation of structural adjustment policies. They have two parts:

- improve the trade balance by limiting imports: to do this, we limit production intended for the domestic market and we specialize the production system in export crops;
- cleaning up the national economy through a policy of reducing public spending and prices.

The turn of the 1980s marked the beginning of these policies, particularly in Europe, called budgetary rigor in order to correct the effects of Keynesianism of the 1970s. These proposals led to a deterioration of the economic situation. Above all, budgetary rigor prevents the public investment necessary for the establishment of infrastructure, a prerequisite for the development of any economic activity.

[7] General agreement on Tariffs and Trade, 1994.

[8] The Banana Protocol guaranteed duty-free access to the EU market for specific quotas of bananas.

[9] Panel, EEC - import regimes applicable to bananas in member States, June 3, 1993. Complaining parties: Colombia, Costa Rica, Guatemala, Nicaragua, Venezuela.

preferences for banana imports from ACP countries were inconsistent with Article 1 of the General Agreement[10] as well as GATT rules regarding free trade areas (FTA)[11], stating that Part IV[12] of the General Agreement did not justify the absence of reciprocity in free trade areas with developing countries. The enabling clause[13] did not justify these ACP preferences either, to the extent that they were not granted to all developing countries (DCs).

This meant, indirectly, that all specific preferences granted by the EU to ACP countries as well as all other similar regimes applied by other developed countries should be considered illegal under the General Agreement.

Following this decision - confirmed - the European Community maintained the Lomé regime, after having obtained a derogation on the basis of Article XXV[14] GATT. This exemption, which was extended under the Cotonou Agreement (CA) until December 31, 2007, serves as the basis of the new transitional regime. At the end of this period, the Community and the ACP States will henceforth be linked by free trade agreements (FTAs) supposedly compatible with WTO law. However, given the progress of the current negotiations and the divergences they generate, it is not possible to say whether the legal constraint will be satisfied.

THE REGIME DEROGATING FROM THE PRINCIPLES OF MULTILATERALISM AND THE ORIGINAL COMMERCIAL INSTRUMENTS OF STABEX AND SYSMIN

Five Lomé Conventions governed commercial relations between the EEC and the ACP between 1975 and 2000. These conventions cover broader fields than the strictly commercial domain; this has always been governed, in the same forms and with the same

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[10]Item I paragraph 1: "All advantages, favors, privileges or immunities granted by a contracting party to a product originating in or destined for any other country shall, immediately and unconditionally, be extended to any similar product originating in or destined for the territory of any other country. the other contracting parties.

[11] Item XXIV paragraph 5: "[…] the provisions of this Agreement shall not prevent, between the territories of the contracting parties, the establishment of a customs union or a free trade area or the adoption of a provisional agreement necessary for the establishment of a customs union or a free trade area […]".

[12] Part of the Agreement entitled "Trade and Development" integrated in 1966 following the conclusions of the United Nations Conference on Trade and Development (UNCTAD). It notes non-reciprocity in trade negotiations between developed and developing countries.

[13] "Differentiated and more favorable treatment, reciprocity and more complete participation of developing countries", decision of November 28, 1979.

[14] Item XXV paragraph 5: "In exceptional circumstances other than those provided for by other articles of this Agreement, the contracting parties may relieve a contracting party of one of the obligations imposed on it by this Agreement, on the condition that such a decision be sanctioned by a two-thirds majority of the votes cast and that this majority includes more than half of the contracting parties."

content[15], by Title I of the different texts. The commercial content of the five successive conventions remains identical. The Lomé I Convention, signed in 1975, aimed to integrate some of the Commonwealth countries[16] in the cooperation program, after the United Kingdom's accession to the European Community. Lomé II, signed in 1979, does not introduce any major changes, except the SYSMIN[17] regime. Lomé III, signed in 1984, changed the direction of efforts, abandoning the promotion of industrial development for that of self-sustaining development based on self-sufficiency and food security. Lomé IV is the first convention lasting 10 years, even if the financial protocol which accompanied it only covered five years. It focused on the promotion of human rights, democracy and good governance, strengthening the place of women in society, environmental protection, decentralized cooperation, diversification of economies. of the ACP, the promotion of the private sector and the strengthening of regional cooperation. Lomé IV revised was a mid-term revision and took place, in 1994-1995, against a backdrop of major upheavals on the economic and political level in the ACP countries (democratization process, structural adjustment), in Europe (enlargement , increasing attention paid to partners in Eastern Europe and the Mediterranean region) and on the international scene (Uruguay Round agreement). It introduces several changes, but without affecting the substantial aspects of Commercial Policy[18].

From the point of view of principles, the Lomé Conventions present a fundamentally pro-developmentist side, making non-reciprocity and discrimination the backbone of EEC/ACP relations. The principle of non-reciprocity is affirmed from its beginning, through its first article. It is stated that the promotion of trade between the two parties must be done taking into account their respective levels of development and, in particular, the need to ensure additional benefits to the trade of the ACP States. The objective is to accelerate the pace of growth of their trade and improve the conditions of access of their products to the EEC market. In the same vein, Article 7.1 provides that, taking into account the needs of their development, the ACP States will not be required to subscribe, during the duration of the convention, with regard to the importation of products originating in the Community, to obligations corresponding to the commitments made by the Community with regard to the importation of products originating in the ACP States.

In addition to being asymmetrical, these exchanges are also designed to be discriminatory. Trade benefits granted by the EEC are not open to other developing countries. Indeed, Article 7.2.b specifies that the Most Favored Nation Clause does not apply to economic and commercial relations between ACP States and other developing countries. This would have been legally admissible if the grouping of ACP countries, like the EEC, was organized into an RTA in the form of a free trade zone or a Customs Union, and these preferences were reciprocal ; all within the meaning of Article XXIV of the GATT. Such a configuration would have justified the existence of discriminatory trade preferences, because they are reciprocal and regionalized. The exclusion conditions of the MFN clause are therefore far from being met here ; they could only be explained by the historical relations linking Europe to its former colonies, independently of the legal provisions of the GATT. It is certainly to mitigate this commercial deviance that the

[15] Except for changes like Stabex and Sysmin.

[16] See Supra, paragraph 185.

[17] Via the European Development Funds (EDF) voted in Brussels every five years, SYSMIN is a means of financing ACP countries. (Asia-Caribbean-Pacific) which have economic links with Europe. Countries that have lost more than 20% of their mining turnover for two consecutive years can benefit from SYSMIN, which has been the case for New Caledonia several times. Project owner, New Caledonia benefited, from 7th EDF credits, from funding amounting to ECU 2,688,000 for the implementation of a project to rehabilitate two sites degraded by mining activity. The company SIRAS Pacifique was responsible for carrying out this project under the control of the Mines and Energy Service, project manager.

[18] See history of the Lomé Conventions under:

http://ec.europa.eu/comm/development/body/cotonou/lome_history_fr.htm

EEC deemed it useful to add a non-exclusivity clause to the Agreement, by granting itself the possibility of concluding preferential agreements with other commercial partners outside the zone. ACP. Any initiative in this direction must be negotiated and discussed with the ACP countries, to give them the opportunity to safeguard their interests and not be the collateral victims of parallel commercial commitments or to see themselves divested of pre-existing preferences.

From the point of view of material content, the Lomé Convention allows products originating in the ACP States to be admitted for importation into the Community, exempt from customs duties and taxes having equivalent effect[19], and without quantitative restrictions to export, nor measures having equivalent effects other than those which the Member States of the Community apply among themselves[20]. This regime allows ACP countries to export almost all of their agricultural, industrial and processed products to the Union market, without any hindrance in principle. In reality, the Community has surrounded itself with guarantees which, despite preferences, do not leave its market permeable to all imports in all quantities, in all seasons and for all products. This aspect of the agreement diminishes the impact of the trade gains expected from ACP countries.

First, the export of certain agricultural products was limited by protocols under which the EEC undertook to import specified quantities at guaranteed prices. These protocols concern four products, notably cane sugar and beef for which the main aim is to limit the negative impact of imports on European producers, bananas and rum for which the aim is to help traditional producers. Then, restrictions were imposed by the European Union on imports of ACP industrial products, so that they did not compete with Community production. These restrictions involve the development of rules of origin. To benefit from the preference system, materials not originating in the exporting country must represent less than 15% of the price.

In addition, a series of safeguard measures was established in Article 10 of the Agreement, with the aim of allowing a member or the community itself to protect itself from serious disruptions in one of its sectors of activity. economic activities to the point of compromising its financial stability[21]. This trade restriction is organized according to a principle of graduation, with the aim that trade defense measures are chosen in an order of priority which brings the minimum disruption to trade between the contracting parties[22]; and this through possible consultations within the Council of Ministers[23]. A discretionary power has been provided with the aim of establishing quantitative restrictions justified by reasons of public morality, public order, public security, protection of the health and life of people and animals or preservation of plants, protection of national treasures having artistic, historical or archaeological value or protection of industrial and commercial property. But this cannot constitute either a means of arbitrary discrimination or a disguised restriction on trade.

Finally, preferences theoretically concern all products but the majority of exports from ACP countries are still made up of primary products, notably oil, coffee, cocoa, copper, wood, rubber, cotton, to name but a few. than the main ones, representing 80% of their total exports. Many ACP countries remain more than 40% dependent on a single primary product.

To enable ACP countries to take full advantage of the trade regime thus established, technical assistance arrangements have been made for trade promotion. These are essentially the improvement of the structures and working methods of organizations, services or companies contributing to the development of foreign trade of the ACP States or the creation of such organizations, services or companies[24], notably through the training or professional development of technicians foreign trade and commercial promotion[25], the participation of ACP States in fairs, exhibitions, specialized exhibitions of an international nature and the organization of commercial events[26], the improvement of cooperation between economic operators of Member States and ACP States , and the

[19] item 2.1.

[20] item 3.1.

[21] item 10.1.

[22] Item 10.2.

[23] Item 11.3.

[24] Item 13.a.

[25] Item 13.b.

[26] Item 13.c.

creation of liaison structures capable of promoting this cooperation[27], the carrying out and exploitation of market and marketing studies and surveys[28] as well as the production and dissemination, in various forms, of commercial information in the Community and in the ACP States with a view to developing trade[29].

Therefore, the initial European offer was available under several legal regimes. The Yaoundé conventions proved to be egalitarian and reciprocal. On the other hand, the trade preferences of the Lomé conventions were simply tolerated by the other potential beneficiaries. These will insert themselves into the breach of the changes underway at the WTO to launch a systematic dismantling operation with more or less success.

Favored since the Yaoundé Agreements (1963) and especially Lomé (1975, then 1980, 1985, 1989), relations between the European Union (EU) and the States of Africa, the Caribbean and the Pacific (ACP) were characterized by the desire of European States to help the development of ACP States, both through the traditional means of subsidies and by using the tool of trade policy. The ACP States benefited from a very broad exemption from customs duties for their exports to European States, without conditions of reciprocity. These customs rules therefore deviated from both the generalized system of preferences (GSP) and the regional free trade zones authorized by the GATT and could only be retained as a derogation during the WTO negotiations. The strong protests from South American banana exporters were to lead, after the condemnation of the European Union by the Dispute Settlement Body (DSB) of the WTO, in 1997, to a questioning of the link between development and commercial policy[30].

Products from ACP countries benefit from preferential access to the Community market, without reciprocity being granted to European countries[31]. Agricultural products covered by the common agricultural policy (in particular cereals and citrus fruits representing a marginal share in ACP exports) are excluded from preferences; on the other hand, a more favorable regime than the general system benefits certain tropical products (banana, sugar, etc.). In total, more than 95% of exports from ACP countries enter the Union market free of customs duties. This treatment appears more favorable than the Generalized System of Preferences negotiated by all developing countries (DCs), implemented from UNCTAD in 1968 and based on reduced rights; it is subject to quantitative restrictions and is accompanied by unilateral safeguard clauses from the countries of the North.

Commercial cooperation also took the form of financial support in the event of a fall in export earnings for agricultural (STABEX) and mining (SYSMIN) raw materials. STABEX covers around fifty basic agricultural products. The compensation mechanism is triggered if revenues show a decrease of at least 5% compared to the standard (average of the previous six years). To be eligible, the product must constitute 5% of total exports (1% for least developed countries [LDCs]). The list of main products concerned evolved during the different conventions, depending on the shocks suffered by each market. Thus, for Lomé 1, peanuts alone represented 36% of transfers ; subsequently, it was tropical drinks (coffee, cocoa) which absorbed the majority of funding (from 54% to 77%). Senegal then Ivory Coast and Cameroon were the main beneficiary countries. The operation of SYSMIN differs somewhat, involving only eight products of mineral origin and being characterized by a more complex calculation method. Eligibility is determined either by product (at least 15% of exports during two of the four years preceding the request), or globally (all mining products must represent at least 20% of total exports). Compensation is triggered if production and export capacity or if prices fall by at least 10% (compared to the average revenue of the two previous years) for reasons of an "exceptional nature".

Traditional arguments based on approaches in terms of comparative statics make free trade a social optimum. Under numerous restrictive assumptions, the classical and neoclassical models of international exchange indicate that the specialization of production and trade openness offer the best organization of international economic relations. Although some authors emphasize that the global

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[27] Item 13.d.

[28] Item 13.e.

[29] Item 13.f.

[30] Haguenau-moizard, C. Montalieu, T. (2004/4). *The evolution of the EU-ACP partnership from Lomé to Cotonou: from exception to normalization*, (no 128), pp. 65-69. Worlds in Development.

http://www.cairn.info/revue-mondes-en-developpement-2004-4-page-65.htm

[31] Stonebreaker, 2002.

regulation proposed by the GATT was rather inspired by a mercantilist vision of trade[32] (opening of foreign markets as a condition for conquering export market share subject to reciprocity, etc.), he recent development (creation of the WTO) is more in line with the free trade logic where gains in productive efficiency and consumer well-being are highlighted. World Bank research shows a static gain of between 250 and 620 billion dollars per year (depending on liberalization scenarios), almost half of which would benefit developing countries opening their markets. In these families of thought, there is not much sense in treating certain countries separately, since the nature of specializations does not matter and structural gaps (factor productivity, resource endowment, etc.) are the very foundation of exchange. It is not particularly relevant to offer differentiated treatment according to the level of development or the type of exported production. The practice of international trade negotiations is, however, more nuanced, since this differentiation exists in the texts of UNCTAD (GSP Agreement), GATT (decision L/4903 of November 28, 1979) and is even reinforced for LDCs by recent decisions. (EU Everything But Arms Initiative). However, within the framework of the WTO, the Doha round seems to retain other priorities to help the integration of developing countries into international trade. In particular, three areas represent a major challenge, notably the protection of northern markets which remains high for agriculture and textiles, technical obstacles to trade and the weakness of measures to support trade reforms. The essential idea is that "developing countries must also convince their nationals that the gains from multilateral liberalization outweigh those brought by ephemeral trade preferences or special treatments that shelter economies from competition"[33] . On this last point, recent empirical work strongly qualifies the idea according to which the multilateralism of the GATT/WTO is a more effective tool for promoting world trade than differentiated systems (such as the GSP)[34].

On a dynamic level, endogenous growth models show the essential role that trade openness can play in promoting long-term development, while indicating the poverty traps that it can also produce. Numerous empirical studies on the subject report a “systematic and important link between the immense differences in production per capita from one country to another and openness to trade”[35]. If openness clearly appears to be a necessary condition for economic progress, it is by no means a sufficient condition. The quality of institutions or that of human capital also exerts a decisive influence. The liberalization process itself would cause an increase in factor productivity, and therefore growth potential, through the intensification of competition, the reduction of the distorting effects of import-substitution strategies and the diffusion of knowledge. The debate now seems to be moving towards the evaluation of the impact of international trade on poverty reduction, in accordance with the Millennium Goals defined by the United Nations, and towards the implementation of a joint strategy with the institutions of Bretton Woods, in order to ensure coherent management of the world economy.

Free trade is necessarily accompanied by a certain legal framework. This aims to establish the conditions for effective commercial freedom. The aim is to prevent States from abusing their power by distorting competition between public or private actors. The legal rules are therefore intended to guarantee fair trade. They are based on the (economic) postulate that all players must have free access to the international market and on the (legal) postulate that States must all be subject to identical rules. The legal postulate took time to establish itself on the international scene. Defended by the United States from the 1946-1947 negotiations on GATT, it opposed the European concept according to which efficiency required, on the one hand, the maintenance of protectionism and, on the other hand, treatment differentiated from States according to their level of development. The disappointing results of European development policy and American insistence got the better of the European concept. When the WTO was created, the idea that all States had to comply with the same legal regime definitely prevailed, unless arrangements were made for LDCs.

Since the adoption of the GATT, numerous rules have been laid down to ensure freedom of trade and equality of States. They were maintained with the creation of the WTO and extended by the Agreement on Services (GATS). The Most Favored Nation Clause[36]

[32] Siroën, 2002.

[33] McGuirk, 2002, 7.

[34] Rose, 2002; Hallaert, 2002.

[35] Berg and Krueger, 2002, 17.

[36] Items 1 of GATT and III of GATS

requires the extension to all States of a commercial advantage granted to one of them. It is intended to prevent commercial partners from being favored to the detriment of others. The national treatment clause[37] requires States to subject imported goods and services to the same regime as national goods and services. The aim is to prevent states from favoring national companies. The provision on regional free trade zones[38] comes from the same inspiration, since it only authorizes reciprocal commercial advantages, therefore based on identical rules for all States. The WTO Agreement supports GATT rules with binding dispute settlement procedures. States no longer have the possibility of evading the mechanisms established in 1994. Consultative and judicial bodies (at first instance and on appeal) are formed and must render their decisions within specific deadlines. Since their establishment, their success has not diminished (they have been involved in more than a hundred conflicts).

CONCLUSION

Ultimately, STABEX and SYSMIN are two financial mechanisms created within the framework of the Lomé Conventions (cooperation agreements between the EEC – future EU – and the ACP countries: Africa, Caribbean, Pacific). Their aim was to protect the fragile economies of ACP countries against the vagaries of international trade, especially related to raw materials. For the first, that is to say STABEX (Export Revenue Stabilization System), established in the Lomé I Convention (1975), its objective was to compensate for the loss of export revenue of ACP countries due to fluctuations in world prices or declines in export volumes of certain agricultural products (coffee, cocoa, peanuts, cotton, bananas, etc.). Its operation is essentially based on the fact that if the revenue of an ACP country on a given product falls sharply compared to a reference average, STABEX pays financial compensation. Thus, aid is no longer a loan, but a financial transfer (subsidy). The political goal is to ensure income stability to allow ACP countries to plan their development, despite the vagaries of global markets. As for the second, namely SYSMIN (Stabilization System for Mining Products), established in the Lomé II Convention (1979). Its objective is to support ACP countries exporting minerals (copper, bauxite, tin, iron, etc.) when their mining revenues fall sharply. Its operation, unlike STABEX, is based rather on concessional loans (not direct grants). The funds aim not only to compensate for losses, but also to rehabilitate mining sectors (investments, equipment modernization, restructuring). The political goal is to avoid the collapse of strategic mining sectors for certain ACP countries, often highly dependent on a single export product.

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6) Rose,2002. Hallaert,2002,17.
7) Berg and Krueger,2002,17.

[37] GATT items III and GATS XVII

[38] GATT item XXIV