

WORLD TRADE ORGANIZATION (WTO)

ORIGINS:

General Agreement on Tariffs and Trade (GATT) was established in 1947, in the wake of WWII.

Based on the belief that the nations of the world are inextricably linked to one another. About 1/4th of the Gross National Product (GNP) of most countries comes from exports.

WTO:

Began in 1995, as a successor to GATT. It has 136 members & accounts for >90% of world trade.

Major objective: "Help trade flow smoothly, freely, fairly and predictably."

In other words, to promote free trade by getting rid of tariffs and other barriers. It includes specific sectors such as agriculture and textiles.

It does this via trade agreements & negotiations; settling trade disputes; assisting developing countries in trade policy issues, etc.

Efforts are made regarding tariff reductions, anti-dumping, and decreasing government interference.

DISPUTE SETTLEMENT

Countries bring disputes to the WTO if they think their rights are being infringed.

Judgements are made by appointed independent experts.

DEVELOPING COUNTRIES

Over 3/4th of WTO members are developing countries. Special provisions for these countries include:

- Longer time to implement agreements and commitments;
- Measures are taken to increase their trading opportunities;
- All WTO members are required to safeguard the trade interests of developing countries;
- Support is provided to build the infrastructure needed for WTO to work in these countries.

WTO provides much training and technical assistance for developing countries. Eg., training courses are organized for officials from countries in transition from central planning (eg. Communism) to market economies.

BENEFITS:

1. The System helps promote peace.
2. Disputes are handled constructively
3. Rules make life easier for all.
4. Freer trade cuts cost of living.
5. It provides more choice of products and quality.
6. Trade increases income.
7. Trade stimulates economic growth.
8. Trade makes life more efficient.
9. Governments are shielded from lobbying.
10. The system encourages good government.

CONTROVERSIES ("MYTHS") SURROUNDING WTO

1. WTO dictates policy
2. WTO is for free trade at any cost
3. Commercial interests take priority over development
4. Commercial interests take priority over the environment
5. Commercial interests take priority over health and safety
6. WTO destroys jobs, worsens poverty
7. Small countries are powerless in the WTO
8. WTO is the tool of powerful lobbies

9. Weaker countries are forced to join the WTO
10. The WTO is undemocratic.

Let's look at #4: Concerns about the environment. WTO states: "This is not true. Many provisions take environmental concerns specifically into account."

Its preamble includes in its objectives "optimal use of the world's resources, sustainable development and environmental protection."

WTO emphasizes that measures taken to protect the environment can't be unfair. They also state that it's not the WTO's job to set international rules for environmental protection.

"Public Citizen's Global Trade Watch" (Ralph Nader's Group) (tradewatch.org) complaints:

"The Clinton administration is trying to paper over the WTO's record of weakening environmental, food safety and labor safeguards. The public has caught on to the WTO's record of damage and has turned against the free-trade at any cost agenda."

Other complaints by Trade Watch:

"Wealth inequality has grown within the developing countries and has surged between developed and developing world."

"The WTO has ruled against every health, safety or environmental standard its tribunals have considered -- including the US Clean Air Act, the Endangered Species Act, the Marine Mammal Protection Act, the EU ban on beef treated with artificial hormones. Other regulations have been withdrawn because of the mere threat of WTO actions -- like Guatemala's UNICEF-based code on marketing infant formula."

"The WTO operates in complete secrecy; there is no accountability, minimal disclosure of its documentary record."

WHAT HAPPENED IN SEATTLE?!

NGO (Non-Governmental Organizations): Eg. Sierra Club, CARE, Bread for the World, Catholic Charities, etc.

NGO's protested at the Seattle WTO convention because they feel that WTO is an undemocratic body, that it has a negative impact on environmental and labor standards, women and poor people.

WHAT ARE YOUR THOUGHTS ABOUT WTO?

WERE THE PROTESTERS IN SEATTLE RIGHT??

WHAT ARE THE ANSWERS?!?