

## ***In Search of the Blue Bird; What is it that you long for? (continued from page 2)***

Even though it shows certain consideration for the environmental impact of new development projects, for example WTO does not recognize / evaluate the ecological functions of existing paddy fields such as their water resources recharge functions. Therefore, there is a gap between WTO's view of development and the recent philosophy of rural or regional development, which recognizes and stresses the importance of such concepts as "sustainability", "ecologically sound agriculture", "small scale", and "regional individuality". More serious discussions are needed within the WTO with more consideration being given to regional individuality, long-term environmental problems and resources.

WTO argues that the criticisms such as "WTO is an instrument for the rich and powerful to dictate to the world", "WTO will destroy the existing employment system", or "WTO ignores people's interest in health, environment and development issues", are often based on a fundamental misunderstanding about WTO's functions. Summarized below is what WTO sees as its benefits to the world, and the most frequent misunderstandings.

### **10 benefits expected from (and by) WTO**

1. The multilateral trade regime will help promote world peace
2. Conflicts will be dealt with constructively
3. The WTO rules and regulations will make people's lives easier (affordable)
4. Freer trade will reduce the costs of living for people in the world
5. The multilateral trade regime will increase the quantity of commodities in trade and thus the number of choices
6. Trade will increase people's incomes
7. Trade will stimulate economic growth
8. Having fundamental principles (of trade) will make people's lives more efficient
9. Governments will be protected from political dispute using trade issues
10. The multilateral trade regime will foster non-corrupt, upright governments

### **10 major misunderstandings about WTO**

1. WTO will dictate trade policies
2. WTO is a free-trade supremacist organization
3. WTO places more importance on commercial profit rather than on development
4. WTO places more importance on commercial profit rather than on the environment
5. WTO places more importance on commercial profit rather than on health and safety (security) issues
6. WTO will destroy the existing employment system and aggravate poverty
7. Under the WTO regime smaller (economically weaker) countries are left helpless
8. WTO is an instrument for powerful lobbying organizations
9. Weaker countries will be forced to join WTO
10. WTO is a non-democratic regime

Will then the WTO really be helpful in improving people's lives in developing countries? By joining WTO, won't they be just introduced to a mere materialistic world? Is WTO really necessary for people in developing countries to survive, retaining the wealth of life in the real sense? Isn't it a shorter and sure way to achieve "wealth / affluence" (or "happiness"), to stay away from the WTO regime and avoid the international competition?

### **Outline of the World Trade Organization (WTO)**

WTO was established in 1995 to take over from GATT, the General Agreement on Tariffs and Trade, which had been in place since just after WWII. GATT was always a provisional set-up without any legal foundation, but under GATT a multilateral trade regime was formed. The trade regime started in the field of commodity trade, and from 1947 to 1994 GATT was a place to negotiate tariff reduction and other trade obstacles. The trade regime developed through such trade negotiations at so-called GATT Rounds. The main negotiation point of earlier GATT Rounds was tariff reduction, but later on other issues related to international trade, such as anti-dumping and non-tariff treatment were also dealt with. The Uruguay Round held between 1986 and 1994 led to the establishment of the WTO, which has become a legally founded international organization dealing with international trade issues in general, incorporating the functions of GATT (trade in commodities) and GATS: General Agreement on Trade in Services (trade in services). It was established as the only international organization to deal with the global rules of international trade, and the various agreements under GATT remain valid as part of the WTO agreement.

The main function and objective of WTO is to ensure that trade transactions flow as smoothly and as predictably as possible. As a result, it is expected that both consumers and producers can enjoy a stable supply and wider choices of final products, parts or raw materials as well as various services. Supposedly under the WTO regime both producers and exporters can assume international markets will continue to open up, which WTO expects to contribute to realizing a more hopeful, peaceful and predictable world economy. In general WTO's decisions are taken with the consensus of all the WTO parties, and have to be ratified by the governments of each member country. Trade frictions can be dealt with by WTO's conflict arbitration procedures, and this function is expected to prevent the trade conflicts from developing into political or military conflicts.

By reducing trade obstructions, WTO also aims at breaking down various trade barriers between people or countries. As mentioned above, this system is known as a multilateral trade regime, and its core is the WTO agreement. This agreement was negotiated and signed by most of the trading countries in the world and ratified by their governments. That is, it provides basic legal rules regarding international commercial trade and serves as a contract to secure the signatories' important trade interests. Also, it has binding power over the parties to restrict their domestic trade policy within the allowance of the WTO agreement in order to maximize everybody's profit / benefit. In other words, WTO's goal is to improve the welfare of the people of the signatory nations, by facilitating more efficient trade activities on the part of producers, exporters and importers of commodities and services.