



**CMUNCE 2010**

Columbia Model United Nations  
Conference and Exposition

# WORLD TRADE ORGANIZATION

Helena Yoo, Chair

Alyss Vavricka, Vice Chair

Chris Szablewski, Crisis Director

COLUMBIA UNIVERSITY

JANUARY 14-17, 2010



## TABLE OF CONTENTS

---

Letter from the Chair .....	2
History of the World Trade Organization.....	3
Topic I: the Role of Regional Trade Agreements in the International Trading System.....	5
Topic II: Using Trade to Stem the Economic Crisis.....	9
List of Positions.....	12
Research.....	14

## SECRETARIAT

---

<b>SEJAL PATEL</b> Secretary-General	<b>CHARLES ROBERTS</b> USG Finance
<b>RHONDA SHAFEI</b> Director-General	<b>KATHERINE MARSHALL</b> USG Public Relations
<b>MONICA LANDROVE</b> Chief of Staff	<b>SUSAN PHAN</b> USG Publications
<b>ANOUSHKA VASWANI</b> USG Committees	<b>SAMUEL ROTH</b> USG Information Technology
<b>WILL LEONARD</b> USG Crisis	<b>KEVIN MAGOS</b> USG Administration

# LETTER FROM THE CHAIR

---

Dear Delegates,

As the chair of the World Trade Organization, it is my pleasure to welcome you to CMUNCE 2010! My name is Helena Yoo and I am a freshman at Columbia University majoring in political science and art history. This is my first year staffing CMUNCE, but not my first year of Model UN; I was an avid Model UN delegate during my four years of high school.

The WTO is an international organization that regulates world trade. As a member of this organization, delegates are dedicated to cooperating and working together to solve complex international issues, while working towards liberalizing trade. Above all, the WTO is a negotiating forum for member governments. As the world economy remains fragile and the outlook on economy remains uncertain, the WTO has more importance than ever on the world stage.

The two topics that delegates will discuss are: (1) The Role of Regional Trade Agreements in the International Trading System and (2) Using Trade to Stem the Economic Crisis. These two topics are at the core of many debates on international trade and the WTO's role during the current economic crisis.

Because the world economy is at the forefront of many people's minds, I am tremendously excited for heated discussions and debates that will stem from these two topics. I believe that delegates from each nation in the committee will discover that their nations are heavily invested in these two topics. For instance, as of July 2005, only one WTO member—Mongolia—was not party to a regional trade agreement. The surge in these agreements has continued unabated since the early 1990s, and is only growing with the recent economic climate. And, every nation must balance its commitment to free trade with the pressures of the economic crisis.

I very much look forward to what I anticipate will be an exciting weekend. Please do not hesitate to contact me if you have any questions regarding the committee. Good luck in your preparation for the committee!

Truly,

Helena Yoo  
Columbia College 2013  
Chair, World Trade Organization  
[yoo.helena@gmail.com](mailto:yoo.helena@gmail.com)

# HISTORY OF THE WORLD TRADE ORGANIZATION

---

## INTRODUCTION

Today, the World Trade Organization (WTO) “is the only international organization dealing with the global rules of trade between nations. Its main function is to ensure that trade flows as smoothly, predictably, and freely as possible.”<sup>1</sup> The WTO regulates 95% of the world’s trade<sup>2</sup> and contains 153 members and 30 observers. The goal of the organization is to improve the economy and standard of living for the entire world by breaking down barriers to trade and assuring that markets will remain open.<sup>3</sup> It is also responsible for resolving disputes regarding trade agreements among its members.

The WTO is a successor of the 1947 *General Agreement on Tariffs and Trade* (GATT),<sup>4</sup> which was originally instituted to support the first international attempt at creating a viable trade organization, the International Trade Organization (ITO).<sup>5</sup> The GATT helped to establish a strong and prosperous multilateral trading system that became increasingly liberal through rounds of trade negotiations.

There have been numerous trade rounds that have occurred since the founding of the GATT that addressed important trade topics such as tariff<sup>6</sup>, anti-dumping<sup>7</sup>, and non-tariff barriers to trade<sup>8</sup>. The Uruguay Round, which lasted from 1986 to 1994, was the first multinational trade negotiation that resulted in an agreement that extensively involved developing countries in a multilateral trading system.<sup>9</sup> With the fundamental goal of international cooperation, the Round incorporated developing countries by expanding the multilateral trading system to include agriculture and services.<sup>10</sup> At the conclusion of the Uruguay Round the *Marrakesh Declaration of 15 April 1994* was adopted,<sup>11</sup> formally establishing the WTO – headquartered in Geneva, Switzerland – on January 1, 1995, and outlining the framework in which it would operate.<sup>12</sup>

The newly-established WTO replaced GATT as an international organization, but the *General Agreement* still exists as the WTO’s umbrella treaty for trade in goods and was updated as a result of the Uruguay Round negotiations.<sup>13</sup> Acting as a forum for trade negotiations between its members, or “custom territories,” the organization operates

---

<sup>1</sup> The WTO in Brief

<sup>2</sup> Ibid.

<sup>3</sup> Ibid.

<sup>4</sup> World Trade Organization, *Understanding the WTO*, 2008

<sup>5</sup> Ibid.

<sup>6</sup> Tariffs are taxes paid to the government for products imported into a country. They raise the prices of a foreign product and thus decrease demand for that foreign products.

<sup>7</sup> Dumping: When country X’s government heavily subsidizes a product and then sells it artificially cheap to country Y. Country X is said to be “dumping” their product on country Y. The price is artificially low and competitors in country Y cannot match this price. Thus country Y’s businesses that produce the product are hurt.

<sup>8</sup> These include entire embargoes on a product/country, as well as barriers such as ridiculous amounts of technical requirements, paperwork etc.

<sup>9</sup> Martin and Winters, *The Uruguay Round and the Developing Countries*.

<sup>10</sup> Ibid.

<sup>11</sup> World Trade Organization, *What is the World Trade Organization?*.

<sup>12</sup> Ibid.

<sup>13</sup> Ibid.

under the principles set forth by the GATT, as modified by the Uruguay Round, and the 1994 *Agreement on Trade Related Aspects of Intellectual Property Rights, Including Trade in Counterfeit Goods (TRIPS)*.<sup>14</sup> Guided by these agreements, member states negotiate to foster and administer global commerce. As recognized instruments of international trade, these agreements and all others adopted by the WTO include a timeline for implementation of the various rules delineated.<sup>15</sup>

The most recent trade round that has been conducted by the WTO is the Doha Round, which has covered a wide range of topics—from agriculture subsidies, to pharmaceuticals, and special and differential treatment, among others.

## FUNCTIONS OF THE WORLD TRADE ORGANIZATION

The WTO has six basic functions: “administering WTO trade agreements, [serving as a] forum for trade negotiations, handling trade disputes, monitoring national trade policies, [providing] technical assistance and training for developing countries, and [promoting] cooperation with other international organizations.”<sup>16</sup> The WTO administers trade agreements through its rules, which are negotiated between Member States.<sup>17</sup> Rules require Member States to be transparent in their trade policies by notifying the WTO of changes in trade policy via periodic reports to the leadership.<sup>18</sup>

As a recognized instrument of trade liberalization with broad influence, the WTO handles many trade disputes through mediation. However, if mediation fails, countries can then take their dispute to the organization’s Dispute Settlement Body (DSB) for adjudication.<sup>19</sup> The mediation process entails a long DSB panel review procedure that can last anywhere from sixty days to six months.<sup>20</sup> If mediation fails and the dispute heads to the DSB, either side can choose to accept the findings or appeal the decision; if the finding is accepted the party that is found to be in violation of WTO rules must change their laws to comply with the WTO standards.

To further facilitate the liberalization<sup>21</sup> of international trade the WTO monitors the national trade policies of the custom territories through the use of a Trade Policy Review Mechanism, which permits a policy review board to analyze national trade policies to ensure their consistency with WTO rules. Member states that fail a review by the board can face a monetary fine and are required to conform to the ruling of the review panel.<sup>22</sup>

In addition, the WTO also provides technical assistance and training—partially funded by its budget—to developing countries.<sup>23</sup> It organizes 500 technical cooperation actives annually, primarily consisting of workshops

---

<sup>14</sup> Ibid.

<sup>15</sup> Ibid.

<sup>16</sup> Ibid.

<sup>17</sup> Ibid.

<sup>18</sup> Ibid.

<sup>19</sup> Ibid.

<sup>20</sup> Ibid.

<sup>21</sup> Removing barriers to trade, allowing firms from one country to compete directly, with as little government intervention as possible, with firms from another country.

<sup>22</sup> Ibid.

<sup>23</sup> Ibid.

and training seminars in developing countries, particularly those in Asia, Latin America, the Caribbean, the Middle East and Africa.<sup>24</sup>

Beyond its relations with individual Member States, the WTO cooperates extensively with other international organizations in order to increase the consistency of international economic policies.<sup>25</sup> Collaboration between the WTO and other international organizations is aimed at assisting Member States who are members of other international organizations in the implementation of WTO rules and international standards.<sup>26</sup> Although it is not part of the United Nations, the WTO maintains close ties and collaborates with the United Nations Economic and Social Council, the chief economic body of the United Nations, to negotiate international trade and commerce.<sup>27</sup> Furthermore, the WTO has official agreements for continuous cooperation with the World Bank and the International Monetary Fund and the International Trade Centre, which is a subsidiary organization of both the WTO and the UN Conference on Trade and Development; cooperation with these organizations enables all three organizations to identify mechanisms through which consistency in international economic policies can be increased.<sup>28</sup>

## TOPIC I: THE ROLE OF REGIONAL TRADE AGREEMENTS IN THE INTERNATIONAL TRADING SYSTEM

---

### INTRODUCTION

Regional trade agreements are becoming increasingly prevalent throughout the world today — in 2005, every member of the World Trade Organization (WTO) except Mongolia was the member of at least one regional trade agreement (RTA).<sup>29</sup> Thus, a common question for the WTO is “whether these regional groups help or hinder the WTO’s multilateral trading system.”<sup>30</sup> With this proliferation of RTAs, the potential for “regulatory confusion, distortion of regional markets, and severe implementation problems, especially where there are overlapping RTAs” is a concern of the WTO, making them a cause for scrutiny.<sup>31</sup>

But what is an RTA? While the definition of “region” is commonly understood to mean a grouping of states, other definitions exist as well; as such, the nature of each of RTA may be different. RTAs can allow groups of countries to negotiate trading rules and commitments to abolish or reduce trade barriers within that group.<sup>32</sup> These

---

<sup>24</sup> Ibid.

<sup>25</sup> World Trade Organization, *The WTO and other Organizations*

<sup>26</sup> Ibid.

<sup>27</sup> Ibid.

<sup>28</sup> Ibid.

<sup>29</sup> World Trade Organization, *Regionalism: friends or rivals?*

<sup>30</sup> Ibid.

<sup>31</sup> World Trade Organization, *Regional Trade Agreements*,

<sup>32</sup> World Trade Organization *Regionalism: friends or rivals?*

agreements are often beneficial to states, as they allow these groups of countries to go beyond current existing global trade policies. According to the WTO, RTAs often pave the way for international agreements on topics such as services, intellectual property, and investment policies.<sup>33</sup>

The individual factors that make RTAs advantageous for specific countries vary greatly, and tend to reflect the current financial situation and the national and regional goals of the area. For example, The Australia New Zealand Closer Economic Relations Trade Agreement (ANZCERTA) benefits Australia and New Zealand by the integration of their economies and the rise in trans-Tasman exports, which lead in turn to higher cooperation between these two countries in business law.<sup>34</sup> Similarly, the specific disadvantages of belonging to RTAs vary accordingly, again depending on both regional and state goals, and issues, some of which are explored below. Yet with only one member of the WTO not belonging to an RTA by 2005, it can be concluded that the benefits clearly outweigh the costs for almost every State in existence. But how does this form of regional multilateralism relate to international multilateralism?

## UNDERSTANDING REGIONAL TRADE AGREEMENTS

After the end of the Cold War, regionalization reemerged, resulting in more economic ties on bilateral, multilateral, or international/global scales.<sup>35</sup> From the various incarnations of the European Union to the African Union, NAFTA, and ASEAN it is evident that the vast majority of nations want to be part of regional trading blocs. Every region, while different in make-up, members, and policy, tends to share some common traits, such as a vague boundary or demarcation of territory and the distinction between political and economic ties.

## REGIONAL TRADE AGREEMENTS COMMITTEE (RTAC)

The WTO General Council created the Regional Trade Agreements Committee (CRTA) in 1996, with the purpose of examining regional groups and “to assess whether they are consistent with WTO rules.”<sup>36</sup> However, given the high number of RTAs, this task is enormous and very difficult to cover comprehensively. While logical in theory, the CRTA has been ineffective in practice: no reports of this committee have been finalized since 1995, due to a lack of consensus.<sup>37</sup> Some of the reasons cited for this problem include the discrepancies between WTO rules and that of individual RTAs, as well as institutional problems, owing to the lack of WTO rules on relevant topics, such as preferential rules of origin.<sup>38</sup> These issues raise questions as to whether improvements must be made to this committee, and whether the relationship between the multilateral and regional processes can coexist harmoniously in the future.

---

<sup>33</sup> Ibid.

<sup>34</sup> Australian Trade Commission, Australia New Zealand Closer Economic Agreement (ANZCERTA),

<sup>35</sup> Fernandez and Portes, "Returns to Regionalism: An Analysis of Nontraditional Gains from Regional Trade Agreements." *The World Bank Review* 12.2 (1998)

<sup>36</sup> World Trade Organization, *Regionalism: friends or rivals?*,

<sup>37</sup> World Trade Organization, *Regional Trade Agreements*.

<sup>38</sup> Ibid.

## THE PLACE OF REGIONAL TRADE IN A GLOBAL SYSTEM

RTAs are a prominent feature within the multilateral trading system. The *General Agreement on Tariffs and Trade* (GATT), the predecessor to the WTO, deals with RTAs in Article XXIV. Unlike the *UN Charter* and the *Covenant of the League of Nations*, the GATT goes into great detail about RTAs, in terms of definition, purpose, and formation. This is one piece of evidence in support of the argument that the WTO has made a place for regional trade in the international trading system.

Another piece of evidence is the position the WTO has made to accommodate the European Union (EU): the EU has been a member of the WTO since 1995, even though every Member State of the EU is also a member of the WTO. According to the European Commission, "the main benefit of the WTO system is that it is rule-based... the only way to guarantee that all members will adopt the same basic standards for global trade."<sup>39</sup> As such, the trade policy instruments of the EU are aligned with the WTO, indicating that each trading system makes adjustments to suit the other.

## SUCCESS OR FAILURE? REGIONAL TRADE AFTER FINANCIAL CRISES

Financial crises can take many different forms: they may be national or regional, amounting to temporary setbacks or long term constraints to economic growth. The manner in which each country responds to these crises also varies, based on the factors involved in the crisis and whether or not international advice or guidelines are followed. The question is, what plays a bigger role in financial recovery: domestic measures taken by a government or the role of regional and international involvement?

The 41-year old Association of Southeast Asian Nations (ASEAN) is an RTA that has undergone many transformations and setbacks.<sup>40</sup> The only regional institution in Asia with strong political support, ASEAN was formed due to a belief that a strong link exists between internal security and economics.<sup>41</sup> In 1997, Asia experienced a financial crisis, which spread across the region quickly as a result of extensive inter-dependence between Asian economies. ASEAN has been a key force in creating economic ties between South-East Asian economies. Much of the future of regional trade in Asia will be determined by the variable national conditions in the Asian countries, and the eventual success or failure of the more open regional trade within ASEAN remains to be seen.

## THE FUTURE OF RTAs

Although RTAs seem to provide many benefits, it is important to note that regionalism carries real risks, the impact of which we are only beginning to see. The immediate danger is that the consistency and predictability offered by multilateralism will weaken as governments increasingly turn to regional arrangements to manage their trade interests.<sup>42</sup> Importantly, regionalism and regional blocs mitigate the inherent advantages of trade. If pushed

---

<sup>39</sup> European Commission, *External Trade*,

<sup>40</sup> Association of Southeast Asian Nations, *Overview*,

<sup>41</sup> *Ibid.*

<sup>42</sup> Moore, "Globalizing Regionalism: A New Role for Mercosur in the Multilateral Trading System."

to the extreme, regional blocs that are open within the bloc, but outwardly protectionist, become smaller and more numerous, defeating the benefits of specialization, competition and variety in goods sold that come from trade in wider more open economic system.

Such a scenario materialized in the 1930s with nations spiraling into defensive, even hostile, regional blocs.<sup>43</sup> As the world moves steadily towards regionalism today, it is hard to escape the conclusion that some of these initiatives are less about advancing regional economic efficiency and cooperation and more about staking out regional preferences, even regional spheres of influence, in a world of intense competition for markets, investment and technology.<sup>44</sup> Even as global tariffs are falling—thanks to successful rounds of multilateral liberalization<sup>45</sup>—a maze of conflicting regional regulations, standards and rules of origin, risk becoming the new “walls” between blocs.<sup>46</sup>

Most worrisome is the reality that the world's two major economic players, the United States and the European Union, are often the main drivers of this competition — two “hubs” with preferential trade “spokes” radiating outwards.<sup>47</sup> Regionalism cannot be sidelined as merely a supporting tool to multilateralism as Doha Rounds continue to flounder. Developed and developing countries alike have eagerly sought bilateral agreements with a range of developing countries, even though they verbally continue to support multilateralism.<sup>48</sup> Even Japan broke ranks and began to bargain with some of its Asian neighbors.<sup>49</sup>

## QUESTIONS TO CONSIDER

RTAs are undoubtedly a large part of the international trading system. The question remains as to the specific role that regionalism will play within the international trading system.

Resolutions to this issue should consider the following questions:

- Do RTAs help or hinder multilateral trading agreements?
- Should RTAs and wider multilateral agreements co-exist or should one form of economic trade supersede the other?
- Where does the future of regional trade lie?
- Are RTAs, like the EU, allowed to introduce new trade barriers by forbidding the import of goods that don't meet certain environmental standards?
  - To what extent, should protecting vulnerable or new sectors of an economy through tariffs and other barriers to trade be acceptable?

---

<sup>43</sup> Ibid.

<sup>44</sup> Ibid.

<sup>45</sup> Banning or lowering barriers to trade across a large number of countries, sometimes as a universal rule in the WTO.

<sup>46</sup> Ibid.

<sup>47</sup> Ibid.

<sup>48</sup> Emmott and MacLaren, "Liberalizing trans-Atlantic trade."

<sup>49</sup> Ibid.

# TOPIC II: USING TRADE TO STEM THE ECONOMIC CRISIS

---

## INTRODUCTION

The global economy is currently mired in an economic recession and there are only weak signs of improvements at present. Turmoil and volatility in the financial markets affect not only U.S. demand but also lead to slower growth across the world. As production output worldwide slows, credit remains hard to obtain, and unemployment rates increase, the threat of intensified protectionism looms.

## THE PROBLEM

Last November, in the heart of the recession, the G-20 convened and pledged not to enact any barriers to trade for at least 12 months. Four months later, a World Bank report discovered that since the meeting, 17 out of 20 members had enacted 47 measures aimed at restricting trade.<sup>50</sup> All countries can agree, at least in words, that protectionist barriers serve as an impediment to trade; however, taking action against the implementation of these barriers proves difficult.

While it is generally agreed that in the long term, nations open to trade experience greater economic growth, better standards of living and high poverty reduction, in the short run a country can benefit from protecting vulnerable industries. These industries benefit at the expense of competitors in a foreign country. Even when protectionist measures have no clear net-benefit to an economy, political incentive remains; the beneficiaries are a failing industry where thousands of jobs are saved as a result of constraining external competitors. Victims of an economic crisis are constantly visible and “protected” by their government leaders.

While the world erects protectionist barriers, global trade is faltering because of reduced demand. The WTO has estimated trade to fall by 9% in 2009.<sup>51</sup> In past recessions, the world has found solutions to economic crises in trade reform. It remains to be seen whether the WTO will contribute to ending our economic slump, and if so, whether multilateral and regional trade agreements are honored or bypassed for favorable protectionist measures or bilateral agreements.

## DOMESTIC STIMULUS

In response to the global financial crisis, states around the world have enacted national stimulus programs to boost their respective economies. These programs do not serve as impediments to trade except when the infusion of domestically minted currency discourages directly or indirectly, the purchase of foreign goods. The largest issue

---

<sup>50</sup> Landler, “Trade Barriers Rise as Slump Tightens Grip”

<sup>51</sup> Gjelten, “Trade Drop Threatens To Deepen Global Recession: NPR”

with domestic stimulus is subsidies on products that are exported which have been enacted throughout the world. Export subsidies are policies which benefit the exporters of a state so goods can be produced more cheaply than those by international competitors. Stimulus programs which support “zombie” companies – those that would not make a profit independent of their governments– encourage the production of goods that are sold below fair-market value.

The majority of the protectionist policies seen in international trade stems from a desire to maintain domestic economic control. However, once some countries have implemented unfair trade practices, others must often respond by enacting protectionist policies for their own nations in order to maintain a level playing field. Anti-Dumping Laws are the domestic response to unfair international trade policy. Under WTO regulation, when a nation sells products at prices lower than the cost of production, the importing nation is permitted to levy an anti-dumping tariff in order to keep the prices equivalent.

When used properly, anti-dumping tariffs- neutralize the effect of subsidies in one country. The exporting country would be against anti-dumping tariffs. If country X subsidizes a product, and then country Y imposes a tariff, on this product when it enters country Y, the product price in country Y remains unchanged. So the producer does not see the benefit. But country X's government is paying to make the product cheaper, and country Y's government is collecting money to make the product more expensive; thus the net effect is a transfer of money from country X's government to country Y's. There are also concerns that anti-dumping tariffs are used excessively as a form of protectionism.

## PROTECTIONISM

Acts of protectionism are policies designed to protect home industries from overseas competition. The international community has already agreed in principle that protectionism should be avoided but implementing this policy has proven to be much more difficult.

One of the most notable examples of protectionism is the “Buy American” clause in domestic stimulus packages. Because of its prominence on the international stage, the “Buy American” clauses are better known, but in reality many other countries throughout the world have enacted similar policies. Clauses such as these only allow domestic products to be used in domestic stimulus. States are inclined to support these clauses because it is politically difficult to spend money on domestic stimulus when the direct benefits go to producers on the other side of the world. While these decisions to “buy American” may be politically expedient, the international economic consequences can be very serious. Exporting industries may suffer as neighboring countries erect their own barriers to trade. It is a tragedy of the commons, because the protected industry temporarily benefits at the expense of the foreign one, but if the foreign country also implements protectionist measures, then the domestic industry suffers and under a dual protectionist policy, both countries and both industries are worse off.

The WTO cites other examples of measures countries are taking to protect their companies and economies -- from European import tariffs on Asian plastic bags to a ban on Chinese toys in India. In March alone, South Korea raised import tariffs on oil; Mexico raised tariffs on 89 U.S. goods; Ukraine slapped an extra 13% tariff on all imports; the

U.S. raised duties on imports of Chinese steel pipes; and Argentina mandated a special license for toy imports.<sup>52</sup> The WTO says shoes, cars and steel are among the goods most vulnerable to protectionism. Argentina, Brazil, Canada, Russia, Ecuador and Ukraine have recently raised import duties on shoes, mostly from China and Vietnam.<sup>53</sup>

Pascal Lamy, the Director-General of the WTO, believes that countries should resist the temptation to put barriers around their domestic markets. "A seemingly attractive short-term solution of keeping production and consumption at home soon becomes a millstone around a nation's neck, the more so when trading partners retaliate in kind," Lamy states in the WTO's annual world trade report.<sup>54</sup> He also comments, "Scapegoating the foreigner is an easy trick in politics. Some politicians will try to use this [to not do trade deals]."<sup>55</sup> The temptation to shut borders does exactly the opposite; the economic crisis will worsen with protectionism in the long run. The international community should pursue greater economic integration and openness.<sup>56</sup>

This sort of stimulus sustains unstable industries that may collapse once the stimulus money is spent. A vicious cycle is created where quality is lowered and goods are not produced or sold profitably. We lose competition across countries that lower prices, variety in goods we consume, and long term specialization within an economy. An important lesson of the Great Depression "is that protectionism and economic isolationism do not work."<sup>57</sup> The WTO needs to find a way to deal with this aspect of domestic stimulus. As the world goes deeper into recession and stimulus packages continue to be passed, it is important for the international community to standardize aspects of a stimulus package so the international community can avoid a potentially disastrous trade war.



Pascal Lamy

## QUESTIONS TO CONSIDER

Right now, one of the most important economic agendas for the international community is to establish guidelines for stimulus and protectionist policies. In addition, the World Trade Organization should consider what steps it can take in order to maintain the free flow of capital (to loosen lines of credit). The WTO is the best international organization for setting trade policy and resolving trade disputes so the responsibility lies with its members to create a trade policy that will carefully steer the world out of the current economic crisis.

---

<sup>52</sup> Miller, "WTO Details Rising Protectionism, Pushes Countries to Reverse Course."

<sup>53</sup> Ibid.

<sup>54</sup> Elliott, "WTO Warns Against Protectionism Amid Economic Slump."

<sup>55</sup> Seager, "Now Is Not the Time for Protectionism, Warns WTO."

<sup>56</sup> Lamy, "Trading into the Future."

<sup>57</sup> Ibid.

Resolutions to this issue should consider the following questions:

- What new rules, if any, should the WTO put in place to prevent protectionist barriers?
- What steps can the WTO take to address the effect of national stimulus programs while maintaining national sovereignty?
- How can the WTO ensure that its decisions are respected, and agreements honored when past performance has shown otherwise?

## LIST OF POSITIONS

---

### UNITED STATES

The United States is by far the largest and most powerful economy in the world. It is a center for trade and was a center for many of the financial dealings that were responsible for bringing us into the latest crisis. The United States has historically supported deregulation as the most effective route to prosperity. However, in the midst of the latest economic crisis, the United States has tightened regulation and provided a multi-billion dollar stimulus package in the hope of preventing a depression. The United States, vocally denounced protectionism but its stimulus package included “Buy American” clauses and policy that favors American producers.

### EUROPE

Europe has traditionally supported greater government involvement and intervention in private economic affairs. Nevertheless, Europe has been seriously harmed, if not more so than the United States, by a lack of capital, a decrease in income, and an increase in entitlement payments. Much of Europe would like to see stricter financial regulation. Although Europe has agreed that protectionist barriers will only deepen the economic crisis, many European states have enacted policies that prevent foreign competition.

### ASIA

The part of the world that was hit hardest by the trade crash—Asia—has been actively opening up its regional markets. According to the Asian Development Bank, the number of free-trade agreements (FTAs) signed by Asian countries has grown from just 3 in 2000 to 56 by the end of August. Nineteen of those FTAs have been made among 16 major Asian economies, a trend that could help Asia become a powerful trading bloc on par with the one created by the North American Free Trade Agreement. The continuing stream of agreements between the regional powers of Asia is framing up a strong bond in the development of Asia. These trade agreements are going to boost Asian countries in the main stream to emerge as a powerful unit.

## THE DEVELOPING WORLD

The effects of economic turmoil are more greatly felt in developing nations than in anywhere else in the world. Although many developing nations did not engage in the types of risky financial transactions that wealthier nations engaged in, they still feel the strong effects of a global recession. One of the most notable changes in developing nations has been a reduction of foreign aid. Without this foreign aid, many nations are finding it difficult to provide for basic human needs. Developing nations will look at any and all methods to ensure that the crisis is averted and to ensure that they are not unfairly treated by foreign protectionist policies.

## COUNTRIES PARTICIPATING IN CONFERENCE

Argentina	Iceland	Poland
Australia	India	Romania
Austria	Indonesia	Singapore
Bangladesh	Ireland	Slovenia
Brazil	Israel	South Africa
Canada	Italy	South Korea
Chile	Japan	Spain
China	Kenya	Sri Lanka
Chinese Taipei	Kuwait	Sudan
Czech Republic	Lithuania	Sweden
Dominican Republic	Madagascar	Thailand
Ecuador	Malaysia	Tunisia
Egypt	Mexico	Turkey
Estonia	Netherlands	United Kingdom
France	New Zealand	United States of America
Germany	Pakistan	Uruguay
Greece	Panama	Venezuela
Honduras	Paraguay	Vietnam
Hungary	Philippines	

# RESEARCH

---

- "1997 Asian Financial Crisis." *Wikipedia*. Web. 17 Nov. 2009.  
<[http://en.wikipedia.org/wiki/1997\\_Asian\\_Financial\\_Crisis#Asia](http://en.wikipedia.org/wiki/1997_Asian_Financial_Crisis#Asia)>.
- ASEAN. "Overview." *Association of Southeast Asian Nations*. Web. 16 Nov. 2009.  
<[http://www.aseansec.org/about\\_ASEAN.html](http://www.aseansec.org/about_ASEAN.html)>.
- Australian Trade Commission. "Australia New Zealand Closer Economic Agreement (ANZCERTA) - Austrade." *Australian Trade Commission*. 2009. Web. 17 Nov. 2009.  
<<http://www.austrade.gov.au/ANZCERTA/default.aspx>>.
- "Charter of the United Nations: Chapter VIII: Regional Arrangements." *Welcome to the United Nations: It's Your World*. Web. 20 Nov. 2009. <<http://www.un.org/en/documents/charter/chapter8.shtml>>.
- Elliott, Larry. "WTO Warns Against Protectionism Amid Economic Slump." *The Guardian*. 22 July 2009. Web. 20 Nov. 2009. <<http://www.guardian.co.uk/business/2009/jul/22/wto-lamy-globalisation-recession>>.
- Emmott, Bill, and Roy MacLaren. "Liberalizing trans-Atlantic trade." *New York Times*. 4 Sept. 2008. Web. 20 Nov. 2009. <<http://www.nytimes.com/2008/09/04/opinion/04iht-edemmot.4.15899344.html>>.
- European Trade Commission. "European Commission." *European Trade Commission*. Web. 15 Nov. 2009.  
<[http://ec.europa.eu/trade/issues/respectrules/index\\_en.htm](http://ec.europa.eu/trade/issues/respectrules/index_en.htm)>.
- Fernandez, Raquel, and Jonathan Portes. "Returns to Regionalism: An Analysis of Nontraditional Gains from Regional Trade Agreements." *The World Bank Review* 12.2 (1998): 197-220. Print.
- Gjelten, Tom. "Trade Drop Threatens To Deepen Global Recession : NPR." *NPR*. National Public Radio, 10 Apr. 2009. Web. 14 Nov. 2009. <<http://www.npr.org/templates/story/story.php?storyId=102950723>>.
- Goodman, Peter S. "Printing Money ? and Its Price." *New York Times*. 27 Dec. 2008. Web. 11 Nov. 2009.  
<<http://www.nytimes.com/2008/12/28/weekinreview/28goodman.html>>.
- Lamy, Pascal. "Trading into the Future." Speech. WTO Public Forum 2008. 24 Sept. 2008. *Lamy warns against protectionism amid financial crisis*. World Trade Organization. Web. 18 Nov. 2009.  
<[http://www.wto.org/english/news\\_e/sppl\\_e/sppl101\\_e.htm](http://www.wto.org/english/news_e/sppl_e/sppl101_e.htm)>.
- Landler, Mark. "Trade Barriers Rise as Slump Tightens Grip." *New York Times*. 22 Mar. 2009. Web. 11 Nov. 2009.  
<[http://www.nytimes.com/2009/03/23/world/23trade.html?\\_r=1](http://www.nytimes.com/2009/03/23/world/23trade.html?_r=1)>.
- Martin, Will, and L. Allen Winters, eds. *The Uruguay Round and the Developing Countries*. Cambridge: Cambridge UP, 1996. Print.
- Miller, John W. "WTO Details Rising Protectionism, Pushes Countries to Reverse Course." *The Wall Street Journal*. 27 Mar. 2009. Web. 20 Nov. 2009. <<http://online.wsj.com/article/SB123808014186248481.html>>.

- Moore, Mike. "Globalizing Regionalism: A New Role for Mercosur in the Multilateral Trading System." Speech. Buenos Aires. 28 Nov. 2000. *WTO News*. World Trade Organization, 28 Nov. 2000. Web. 20 Nov. 2009. <[http://www.wto.org/english/news\\_e/spmm\\_e/spmm45\\_e.htm](http://www.wto.org/english/news_e/spmm_e/spmm45_e.htm)>.
- Seager, Ashley. "Now Is Not the Time for Protectionism, Warns WTO." *The Guardian*. 29 Jan. 2009. Web. 20 Nov. 2009. <<http://www.guardian.co.uk/business/2009/jan/29/davos-protectionism>>.
- Shin, Annys. "WTO Says Protectionism Could Prolong Recession." *The Washington Post*. 27 Mar. 2009. Web. 20 Nov. 2009. <<http://www.washingtonpost.com/wp-dyn/content/article/2009/03/26/AR2009032601786.html>>.
- World Trade Organization. "Regional Trade Agreements." *World Trade Organization*. World Trade Organization. Web. 16 Nov. 2009. <[http://www.wto.org/english/tratop\\_e/region\\_e/region\\_e.htm](http://www.wto.org/english/tratop_e/region_e/region_e.htm)>.
- World Trade Organization. "Regionalism: friends or rivals?" *World Trade Organization*. World Trade Organization. Web. 15 Nov. 2009. <[http://www.wto.org/english/thewto\\_e/whatis\\_e/tif\\_e/bey1\\_e.htm](http://www.wto.org/english/thewto_e/whatis_e/tif_e/bey1_e.htm)>.
- World Trade Organization. "The WTO and other organizations." *World Trade Organization*. World Trade Organization. Web. 14 Nov. 2009. <[http://www.wto.org/english/thewto\\_e/coher\\_e/coher\\_e.htm](http://www.wto.org/english/thewto_e/coher_e/coher_e.htm)>.
- World Trade Organization. "Understanding the WTO." *World Trade Organization*. World Trade Organization, Feb. 2007. Web. 12 Nov. 2009. <[http://www.wto.org/english/thewto\\_e/whatis\\_e/tif\\_e/understanding\\_e.pdf](http://www.wto.org/english/thewto_e/whatis_e/tif_e/understanding_e.pdf)>.
- World Trade Organization. "What is the World Trade Organization?" *World Trade Organization*. World Trade Organization. Web. 20 Nov. 2009. <[http://www.wto.org/english/thewto\\_e/whatis\\_e/tif\\_e/fact1\\_e.htm](http://www.wto.org/english/thewto_e/whatis_e/tif_e/fact1_e.htm)>.
- The WTO in Brief. World Trade Organization, 2009. The WTO in Brief. World Trade Organization, 2009. Web. 18 Nov. 2009. <[http://www.wto.org/english/res\\_e/doload\\_e/inbr\\_e.pdf](http://www.wto.org/english/res_e/doload_e/inbr_e.pdf)>.