Article 5.2

THE WORLD TRADE ORGANIZATION

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If the World Trade Organization (WTO) is famous for one thing, it is the "Battle in Seattle." Over 50,000 people went to Seattle in 1999 to say no to the WTO's corporate agenda, successfully shutting down the first day of the ministerial meeting. African, Caribbean, and other least-developed country representatives, in addition, walked out of the meeting. But what is the WTO? Where did it come from? And what does it do?

Where did it come from?

Starting in the 1950s, government officials from around the world began to meet irregularly to hammer out the rules of a global trading system. Known as the General Agreements on Trade and Tariffs (GATT), these negotiations covered, in excruciating detail, such matters as what level of taxation Japan could impose on foreign rice, how many American automobiles Brazil could allow into its market, and how large a subsidy France could give its vineyards. Every clause was carefully crafted, with constant input from business representatives who hoped to profit from expanded international trade.

The GATT process, however, was slow, cumbersome and difficult to monitor. As corporations expanded more rapidly into global markets they pushed governments to create a more powerful and permanent international body that could speed up trade negotiations as well as oversee and enforce provisions of the GATT. The WTO arose from the 1986-1994 GATT negotiations, known as the Uruguay Round. The new organization, formed out of the ashes of GATT, was formally established in 1995. It now occupies a central position in the world as an organization for trade negotiations.

Following the shocking demonstrations in Seattle, the WTO held its 2001 ministerial meeting in Doha, Qatar, safe from protest. The WTO initiated a new round of trade talks that it promised would address the needs of developing countries. The Doha Development round, however, continued the WTO's pro-corporate agenda. Two years later "the Group of 20 developing countries" at the Cancún ministerial refused to lower their trade barriers until the United States and EU cleaned up their unfair global agricultural systems. By the summer of 2006, five years after it began, the Doha round had collapsed and the WTO suspended trade negotiations.

What does it do?

The WTO functions as a sort of international court for adjudicating trade disputes. Each of its 164 member countries has one representative, who participates in negotiations over trade rules. The heart of the WTO, however, is not its delegates, but its dispute resolution system. With the establishment of the WTO, corporations now have a place to complain to when they want trade barriers—or domestic regulations that limit their freedom to buy and sell—overturned.

Though corporations have no standing in the WTO—the organization is, officially, open only to its member countries—the numerous advisory bodies that provide technical expertise to delegates are overflowing with corporate representation. The delegates themselves are drawn from trade ministries and confer regularly with the corporate lobbyists and advisors who swarm the streets and offices of Geneva, where the organization is headquartered. As a result, the WTO has become, as an anonymous delegate told the *Financial Times,* "a place where governments can collude against their citizens."

Lori Wallach and Michelle Sforza, in their book *The WTO: Five Years of Reasons to Resist Corporate Globalization*, point out that large corporations are essentially "renting" governments to bring cases before the WTO, and in this way, to win in the WTO battles they have lost in the political arena at home. Large shrimping corporations, for example, got India to dispute the U.S. ban on shrimp catches that were not sea-turtle safe. Once such a case is raised, the resolution process violates most democratic notions of due process and openness. Cases are heard before a tribunal of "trade experts," generally lawyers, who, under WTO rules, are required to make their ruling with a presumption in favor of free trade. The WTO puts the burden squarely on governments to justify any restriction of what it considers the natural order of things. There are no amicus briefs (statements of legal opinion filed with a court by outside parties), no observers, and no public records of the deliberations.

The WTO's rule is not restricted to such matters as tariff barriers. When the organization was formed, environmental and labor groups warned that the WTO would soon be rendering decisions on essential matters of public policy. This has proven absolutely correct. The organization ruled against Europe for banning hormone-treated beef and against Japan for prohibiting pesticide-laden apples. Also WTO rules prohibit selective purchasing laws, even those targeted at human rights abuses. In 1998 the WTO court lodged a complaint against the Massachusetts state law that banned government purchases from Burma in an attempt to punish its brutal dictatorship. Had the WTO's rules been in place at the time of the anti-Apartheid divestment movement, laws barring trade with or investment in South Africa would have violated them as well.

Why should you care?

At stake is a fundamental issue of popular sovereignty—the rights of the people to regulate economic life, whether at the level of the city, state, or nation. The U.S. does not allow businesses operating within its borders to produce goods with child labor, for example, so why should we allow those same businesses—Disney, Gap, or Walmart—to produce their goods with child labor in Haiti and sell the goods here? ❑