

## ARTICLE

# The World Trade Organization, Economic Development and Prosperity

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## Introduction

One of the most important economic challenges this century is replicating the material prosperity of post-industrial societies in societies that are either industrializing or languishing in political and economic strife. Despite the best intentions, income redistribution, foreign aid, or acts of financial generosity will not be sufficient. The path to material prosperity is through 'economic development', or industrialization, a societal catharsis that transforms more than the production of goods and services. This paper critically analyses the relationship between economic development and the world trading system centered on the World Trade Organization (WTO).

The 'developing' world is industrializing in a global political economy informed by detailed international rules and principles covering trade and human rights. For trade, the principle expression of these rules is found in the WTO, established in 1995, but preceded by the General Agreement on Tariffs and Trade (GATT) negotiated in 1947. For human rights, the principles are set forth in the 1948 United Nations Universal Declaration of Human Rights.

Both treaties were written following the second scouring of the earth by human conflict. The UN Declaration therefore spoke of a world where the 'freedom from fear and want' could coexist alongside 'the dignity and worth of the human person'. Article 25 stated 'Everyone has the right to a standard of living adequate for the health and well-being of himself and his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control'. This statement linked prosperity and human dignity. However, the realization of Article 25 for hundreds of millions in the world today remains a dream rather than a reality.

## Globalization and the World Trading System

Since the war, there has been an uneven pattern of economic development. In East Asia Japan emerged as an economic giant, a major exporter of manufactured products and patron of overseas development assistance, especially to the Asian region. This 'miracle' or

model of development was soon replicated in Korea, Taiwan, Singapore and Hong Kong, and more recently China. The rise of Europe from the ashes of world war was a second 'miracle' of the post-war era. The Europeans were able to establish a customs union, then common market and now economic and semi-political union. Development in South America has been uneven and in Africa, many countries have yet to attain the rudimentary political stability to facilitate sustainable economic infrastructure.

As the new millennium dawned, the United Nations reaffirmed its commitment to a 'more peaceful, prosperous and just world' with the so-called 'Millennium Declaration', stating 'the central challenge we face today is to ensure that globalization becomes a positive force for all (of) the world's people' (UN, 2000). Globalization, according to the UN has made the world more interconnected and interdependent. The world is more interconnected due to global communications and transportation and more interdependent due to the growth of international trade, investment and finance. The Declaration argued that a fundamental human right was 'the right to development' and that poverty was a 'dehumanizing' force. Ironically, post-industrial societies also have dehumanizing elements. Japan for example struggles to maintain elements of traditional culture that have not been replaced by post-war materialism. More recent additions to the 'developed' world in Asia are also beginning to realize that prosperity does not meet every spiritual and communal need.

Focusing on poverty, the Declaration urged developed countries to assist Least Developed Countries with policies such as financial or debt relief, or tariff free access for exports. The Declaration however recognized that such policies could not exist by themselves and emphasized the vital importance of 'good governance' within countries, 'good governance at the international level and on transparency in the financial, monetary and trading systems' (UN, 2000). Bubbling under the surface of these carefully chosen words is one of the basic tensions in the world trading system today. On one hand, the pressure for special treatment for developing countries (an argument for rights) and on the other hand, pressure for greater transparency and participation in international trade negotiations (an argument for obligations).

There are many multilateral agencies in the world today covering a wide range of issues: poverty reduction (World Bank, Asian Development Bank) banking and finance (International Monetary Fund) labor (International Labor Organization) health (World Health Organization) and trade (United Nations Conference on Trade and Development, World Trade Organization, Organization for Economic Cooperation and Development). These institutions are all part of the global political economy. Of course, institutional style, reputation and influence, funding, and decision-making may be different. However, it should be no surprise that the United Nations is 'committed to an open, equitable, rule-based, predictable and non-discriminatory multilateral trading and financial system'. Multilateral agencies are all affected by the challenges of economic and social transformations. This open, rule based, non-discriminatory trading system centered on the World Trade Organization (WTO) is not writing the future of developing countries, nor is it responsible for economic development. The WTO is part of the international system, supported by the major economic powers of the US, EU and Japan and to a lesser extent

major developing countries. The 'globalization' process is the way in which these agencies and transnational corporations are increasingly engaging with many aspects of human interaction – from production of commodities to human rights. The WTO is one agency designated to assist the transition to economic prosperity. Its mandate, if it can be said to have one, is the preservation and extension of economic freedom (or flexibilities) that underpin post-war definitions of post-industrial civilization. The former WTO Director General Mike Moore for example viewed the benefits of open trade as 'the premise of the essential righteousness of universal reciprocity, which has a deeply moral basis' (Moore, 2003: 4).

The concept of reciprocity is embodied in fairness and pragmatism. Cooperation can build trust and understanding, but states are irresistibly drawn to a trade-off between the perceived national 'good' and the global 'common good'. Reciprocity can also be viewed as securing a maximum advantage for minimum concession. These views are not necessarily inconsistent. Securing 'common interest' while withholding 'concessions' is not a contradiction. It is in line with the dictum that countries 'give' in order to 'get'. All countries have some sacrifices they are not able to make, and defend such areas with justifications such as health, morality, safety, strategic interest, and so on. The underpinning of the WTO – the concern for balance between rights and obligations in the management of trade and economic policy is the basic tension in the international system. The enthusiastic pursuit of free trade and the reluctant resistance to liberalization is accommodated within this framework of reciprocal advantage. On one hand are 'rights' - the scope of national activities consistent with participation in a cooperative framework and on the other hand – obligations – the scope of commitments necessary for sustaining the cooperative framework. This balance between rights and obligations is the key struggle in the world trading system. This tension doesn't end, nor reach a climax – it simply is an enduring dynamic in international trade relations.

The WTO is the most recent institutional expression of postwar deliberations on trade policy. The much earlier but defunct proposal of the International Trade Organization (ITO) embodied in the so-called Havana Charter contained a broader focus including investment, employment, development and trade. Due to the failure of the ITO, the General Agreement on Tariffs and Trade (GATT) acted as the international institution that wasn't, and so members were called contracting parties to the GATT. The GATT oversaw the reduction of tariffs in industrial products among industrial countries and unsuccessful attempts to extend liberalization to agriculture. The US effectively eschewed interest in agriculture a move in sympathy with European countries and later Japan. Negotiations in GATT were bilateral and considered products separately. Historically the GATT was a strange arrangement – a body of 'rules' for the pragmatic cooperation of nation-states or 'contracting parties' to selectively act on certain trade policies. This selectivity was until the end of the Uruguay Round, a major criticism of its purpose in the world trading system.

The rise of the European Economic Community in the 1950s and the threat of 'fortress Europe' demanded an alternative modality and 'across the board' tariff cuts were introduced. By the Tokyo Round in the 1970s, industrialized countries became interested

in selectively reducing non-tariff barriers. By this time, industrializing countries had secured preferential trade treatment and were also pressing along with other agricultural exporters for a serious treatment of agriculture. Despite a failed GATT Ministerial meeting in 1982, the Uruguay Round began in 1986 and agricultural exporters from developing countries in the 'Cairns Group' (started by Australia) were joined by the US.

The agenda of trade had expanded to include agriculture and services. Overarching the new Uruguay Round agreements was a new institution called the World Trade Organization (WTO). Partly due to the Single Undertaking - a principle for negotiation that means nothing is agreed until all is agreed - industrialized and industrializing countries agreed to a legally binding and far reaching global trade treaty, with a new dispute settlement mechanism. The WTO retained the basic philosophical structure, but contracting parties became members and the dispute body introduced the interpretation of trade law as an alternative to trade conflict.

Throughout the history of the GATT/WTO the essential balance was to be between rights and obligations, to pursue fair trade in a legal framework. Defining and disputing the rights and obligations as well as their relationship in law and practice constitute the core of the controversies in the world trading system today. The WTO operates on the basis of consensus, the rules are transparent, the commitments undertaken are binding legally and in the case of perceived illegality, any member may submit a complaint to the WTO dispute settlement mechanism.

The conclusion of the Uruguay Round in 1994 and the establishment of the World Trade Organization (WTO) was heralded as a triumph for international cooperation, not only because of the new dispute settlement procedure, but for the inclusion of agriculture and services as international agreements, long a concern of developing countries. However, within four years, the WTO emerged as the focal point for conflict concerning the relationship between rights and responsibilities in the process of economic development. Riots were not new - there were riots in Europe during the Uruguay Round due to the inclusion of agriculture but the riots in Seattle in 1999 suggested a new dynamic. However, as the Doha Round continues to progress, many do not understand the world trading system and misunderstand the difficulties of development. For many in post-industrial societies, the world is changing too fast and it is easy to find a 'scapegoat' to blame for all societal ills.

### **The Perils of Prosperity**

That prosperous nations have so many social problems is ironic. From the US to Europe to Japan and East Asia there is the emergence of elements of a global common culture in fashion and attitudes, shaped by monetary preferences, a culture of convenience and major entertainment. These societies are basking in their abundance and wealth and are beginning to appreciate the results of the past in terms of environmental degradation. However, despite western hedonism, there is a growing awareness of the emptiness and futility of materialism.<sup>1</sup> As one author wrote 'there is a tendency for people to believe that they need more money than they have no matter how wealthy they happen to be'

(Hamilton, 2002: 42). The Japanese economist/poet Tsujii Takashi remarked poignantly that post-war Japanese economic development ‘brought out in some people a shallow frivolity and egotism propelling them merrily through life, and in others, earnest dedication to hard work, revealing the folly and pathos- and in another sense, the endearing appeal – of being human’ (Tsujii, 2005: 16). Economic development does not lead to the solution of all societal ills. Most post-industrial ‘developed’ societies continue to grapple with enormous social problems including domestic violence, drug addiction, poverty and mental illness.<sup>2</sup> In Japan for example, 32, 325 people committed suicide in 2004, while in 2002, it was estimated that 711,000 people suffered from depression.<sup>3</sup> It is strange therefore, that many have the view that the world’s economic problems can be resolved simply and quickly by economic development. The reality exposes the myth of ‘development’.

At the core of this global transformation is the dynamic of competition – competition among individuals, groups, societies, companies and economies. To retain competitive advantage, societies must change more, trade more, adjust more, and work harder. This competitive spirit has blurred many issues such as the environment and labor. The line between the promotion of WTO environmental and labor laws and protection by other means is thin. In 1996 due to pressure from the US and other developed countries, India, Brazil and Indonesia were among many developing countries insisting that labor be addressed within the International Labor Organization (ILO) rather than the WTO. The Indonesian position was that WTO labor laws were ‘creating a new form of protection’ (Indonesia, 1996). Brazil’s position was that WTO labor standards could become a ‘scapegoat to deal with the problem of structural unemployment in the developed countries’ (Brazil, 1996). WTO environmental laws, India viewed as having the ‘potential to open the floodgates of protectionism’ (India, 1999) and along with labor are ‘Trojan horses of protectionism’ (India, 2001). Brazil was more forthright when it pointed out ‘Protectionism in developed countries is on the rise. Now and then, people’s genuine concerns and good faith are used as a disguise. Environment and labor standards – which the international community has created specific rules for, and entrusted specialized agencies with – are two of such new issues being brought to the trade agenda in a way that leaves much room for suspicion’ (Brazil, 1999).

Selectively using the morality of environment and labor issues to damage the competitive position of developing countries rather than a genuine concern for these issues is a negative aspect of this competitive process. Countries that have substantially polluted their own national environments (jump-starting climate change and ozone depletion) lecturing less-developed countries on the evils of industrialization while enjoying its fruits is hardly a viable moral basis upon which to strengthen international relations.

This necessity of competition injects profound pressure on societal expectations. For the Japanese born between 1910 to the early 1930s, “economic growth was a shared goal for this generation, which held in common the experience of the war and had seared in their memories the wartime and postwar privations’ (Nakamura, 1995: 201). The liberalization of trade opens access to foreign imports and instills competitiveness on industries, but *in and of itself* does not foster the creation of an industrialized society with

middle class, purchasing power and prosperity.<sup>4</sup>

Industrialization has negative consequences for parts of the natural environment. This is history. In Japan, “it was only after rapid economic growth had afforded people some security in their lives, however, that serious attention began to be focused on its attendant ills” (Nakamura, 1995: 202) for example, ‘a growing awareness of environmental pollution as yet another evil produced by growth’ (Nakamura, 1995: 119). Developing countries are well aware of the problems of degradation flowing from industrialization. However, being concerned about a pursuit of well-being to the point where a population has reached ‘some security in their lives’ is also vital. Attaining national and sustainable economic prosperity is miraculous enough without imposed legal ‘limits to growth’ from the WTO. There are provisions in the original GATT (Article 20) which permits non-discriminatory policies to protect human, animal, plant life, health or ‘conservation of exhaustible natural resources’. This rule also exists in among others, the General Agreement on Trade in Services (Article 14), the Technical Barriers to Trade Agreement (Preamble) and Trade Related Intellectual Property (Article 27). Forcing developing countries to adopt ‘environmentally friendly’ technology and policies is however nothing short of ‘environmental imperialism’ and is hypocritical considering post-industrial societies continue to rely upon oil for their respective economies.

The ‘development’ problem is also reflected in the WTO Preamble. The phrases are couched in economic terms such as “field of trade and economic endeavor”, and “raising standards of living, ensuring full employment and a large and steadily growing volume of real income and effective demand and expanding the production of and trade in goods and services”. This paragraph comes directly from the original General Agreement on Tariffs and Trade (GATT) Preamble. These phrases capture the post-war recognition of the importance of rising above the miseries associating war-time destruction and realizing economic prosperity.

However, the original GATT Preamble states “developing the full use of the resources of the world” embodying in a sense an exploitative perspective of unrestrained natural resource development. The 1995 WTO Preamble states that “allowing for the optimal use of the world’s resources in accordance with the objective of sustainable development, seeking both to protect and preserve the environment”. In this phrase, sustainable development is tied to the phrase ‘optimal use of the world’s resources’. Pragmatically, the phrase is qualified when the following is inserted – sustainable development must be pursued ‘in a manner consistent with their (developing countries) respective needs and concerns at different levels of economic development’. In addition, ‘there is need for positive efforts to ensure that developing countries, and especially the least developed among them, secure a share in the growth in international trade commensurate with the needs of their economic development’. True to the balance of rights and obligations as well as pragmatic reality, the Preamble expresses in a nutshell the present tension in the world economy.

The competitive process and problems in post-industrial societies challenges the conventional wisdom. Most members of the WTO are what are termed *developing countries* or *least developed countries*. The former communist countries are called *transition*

*economies*. The concept of ‘developed’ is doubly unfortunate because it is patronizing to those countries that are not ‘developed’. It also fails to account for the sense of institutional dissatisfaction among the ‘developed’ countries, notably reflected in their interest in pressing for closer economic integration. For example, while developed, the Western European nations pursued major societal and political change in the 1950s leading to the formation of the European Union in the early 1990s. While developed, many countries have undertaken significant liberalization and deregulation since the 1990s. Gone are the terms ‘welfare state’ and ‘full employment’ and Keynesian economics, replaced by terms such as ‘small government’, the ‘free market’ and consumer choice. The term *transition* to describe the shift from a communist system of production to capitalism cannot fully describe the changes required and the consequences of those changes in the countries concerned. Finally, the term *least developed* is not a very promising or optimistic term for countries that are in serious economic and political strife.

The term industrialization is more appropriate to describe the societal and economic transformations involved because it locates the process of economic transformation. For example, *Newly Industrializing Countries* is a term to describe Taiwan, South Korea, Singapore and Hong Kong or *Post-industrial* society is a term to describe European countries, North America, Australia, New Zealand, Japan and others. The developed world has also been an industrialized world – Japan, Korea, the US, Canada, Australia, EU to name the most obvious examples have undergone to varying degrees, industrial revolutions. Countries that wish to shun industrialization must be content to be banana republics or tourist resorts. As one scholar has remarked “manufacturing matters- more than tourism and more than the finance sector. Not all sectors are equal. Manufacturing is at the heart of productivity change” (Jones, 2005). Industrializing countries seem to share this sentiment. Since the early 1980s, exports from developing countries in manufactured products have increased dramatically. One recent report indicated that even with China and India are excluded, there are ‘broader changes in the composition of developing country exports’ (World Bank, 2004: 66). The growth in exports is not only textiles and clothing, simple manufactured goods, iron and steel products, but also automobiles and high technology products (World Bank, 2004: 66-7).

### **Pragmatism and the Role of the State**

In order to ‘develop’ countries have used a variety of policies, including trade and industry policies such as assisting certain industries (Okimoto, 1989, xiii; Hoekman and Kostecki, 1997: 9). In Japan, ‘*chemical and heavy industrialization* was the prime mover behind growth’ (Nakamura, 1995: 120 italics added), both sectors receiving state assistance. From the mid 1950s till the early 1970s, Japanese industry policy concerned in part the ‘strengthening of ‘modern’ high productivity sectors, and enhancing ‘industrial competitiveness’ of Japan’s industries in the world market’ (Komiya, 1992: 3). The state has played an important role in the industrialization of Japan (Johnson, 1982) Taiwan (Wade, 1990), Korea (Amsden, 1989) and China. Not surprisingly, the GATT permits a wide range of government interventions in the market including anti-dumping (Article 6),

countervailing duties (Article 6), infant industry protection (Article 18), national security (Article 21) and exceptions for health and the environment (Article 20) and provision of agricultural subsidies.

Post-industrial societies also have industry policies. The industry policy of post-industrial societies is on the one hand the opening of markets for many sectors, industries and products, while for various reasons, on the other hand judiciously and pragmatically protecting, nurturing and sustaining other sectors and products. For example, in 2001, the World Bank's report 'Global Economic Prospects and the Developing Countries' noted that "Import restrictions and subsidies in industrial countries limit the growth of developing countries' exports by supporting less efficient production in industrial countries. Export subsidies to industrial country producers further limit the expansion of developing country exports to these markets. Moreover, these policies make it difficult for developing countries to diversify into products for which world demand is high or increasing, and in line with their evolving competitive advantage" (World Bank, 2001: 17). Despite the rhetorical flourish of US President George W. Bush to abolish all agricultural subsidies if the EU followed reciprocally, the apparatus is most likely to remain in place.<sup>5</sup> No nation-state will engage in across-the-board comprehensive trade liberalization. If post-industrial societies are able and willing to protect important sectors under WTO law, then the complete liberalization of trade in industrializing countries is not required.

Post-industrial societies like the US have reserved the right to protect society from the perceived excesses of globalization. This protection in post-industrial countries suggests that the world trading system does not enshrine 'free trade'.<sup>6</sup> For post-industrial societies, the liberalization of trade and investment are vital elements in industrial transformation. However, the state is responsible for more than an efficient allocation of resources, such as health care, social and rural stability, environmental and food security – all requiring pragmatic tradeoffs. In addition, accompanying the rise of globalization is also the rise in complexity and the number of trade agreements and regulations.<sup>7</sup> Rather than a threat to developing countries, or a 'rigged' system, it reflects the political and economic realities of development. This is the path that East Asia, China and India are likely to emulate.

Given the rise of economies like China and India, it seems obvious to state that certain members possess, by virtue of their market size and economic strength, greater bargaining power than small countries. Beyond some general common interests, there is by no means a common strategic convergence on all trade issues, and a 'common agenda' for globalization between the EU, Japan and the US is difficult to discern. On the contrary, many of the major controversies in the WTO concern disputes among the major players and between the major players and some of the medium-sized powers such as Australia and Canada. For example the EU is further ahead than most post-industrial societies on economic integration. The EU has already dealt with internal tariff and non-tariff barriers in the past and is now concerned with issues such as product standards, the environment and competition policy. The US and Japan are following, with Australia, Canada and other post-industrial societies close behind. With a few exceptions of course, the EU is concerned with issues that barely touch many developing countries due to their underdeveloped economic infrastructure.



It is also difficult to prove that there is a conspiracy to enshrine and legalize unfair advantages in favor of developed countries. Deciding when and how much a 'free ride' ought to be given to developing countries is as much a question of fairness as it is competitive advantage. Since the major players are themselves vulnerable economically to the trends of production costs across the globe, it is not surprising that post-industrial countries, under democratic political systems need to be responsive to the views of their respective citizenry. Many for example in post-industrial societies are opposed to supporting debt relief to governments whose leaders support and encourage gross human rights violations (Downer, 2005).

### **The WTO and the Consequences of Development**

A WTO that waits for world-wide development will not sustain the interest of post-industrial societies. Why should the US, EU and Japan wait for the least developed economies to 'catch up'? This is a valid question. After all, the US wrote the original GATT and the EU, Japan and US underpinned the creation of the WTO. If industrializing countries are so opposed to the WTO (as we are often led to believe) why don't they leave the organization? They would still benefit from the variety of UN institutions that cover trade and investment. Least Developed Countries in the WTO are also exempt from most obligations despite in many cases an abysmal human rights record.

If industrializing countries left the WTO they would however lose their rights of unconditional MFN, significant access to foreign markets in post-industrial societies and no legal recourse in the face of trade hostilities since they would forfeit access to the WTO dispute settlement mechanism. Despite the growing consensus that the export of manufactured goods is important, these countries might continue to trade among themselves and form stronger regional groupings. It might well be the case that foreign investment might continue to be forthcoming, but most of the treaties would be bilateral, and inconsistent. Post-industrial countries would be under no obligation not to raise discriminatory tariffs. There would also be great pressure in post-industrial societies to increase barriers to goods from industrializing countries due to their high tariffs.

However, the notion developing countries are eager to desert the WTO seems to have little merit. The need for consensus is vital. As they are industrializing, more and more such countries need the WTO as a forum for trade negotiations (World Bank, 2004: 78). Throughout the Doha Round, there has been relatively consistent support for negotiations on agriculture, industrials and services. While Brazil, India, Indonesia and China are among the strongest defenders of special treatment for developing countries, none of these countries are prepared to leave the WTO because they have significant interests in negotiating agriculture, industrials and services (China, 2003, Brazil, 2003, Indonesia, 2003, India, 2003).

The so-called North/South divide is said to have been the reason for the collapse of Cancun in 2003 when the European and Japanese push for investment and competition rules in the new trade round was rejected by developing countries. This is a myth. Japan, the EU, South Korea and Taiwan supported the so-called 'Singapore Issues' but Australia,

Canada, New Zealand and the US did not. The fact that the Singapore Issues were rejected is a sign of institutional strength. The WTO operates on the basis of consensus and the agenda of the trade round was revised. Critics view the WTO as a 'stick' of the developed countries to discipline developing countries on trade liberalization but they also want to view it as a mechanism that can be used to promote economic development. This is a contradiction. If the WTO has been captured by the EU-Japan-US alliance, then the 2004 revision of the trade round agenda is inexplicable. Critics should read the language. Cancun was a clash on agriculture – part of the post-Uruguay Round agenda, an agenda not opposed by any industrializing country. China, in its first WTO address insisted agriculture was in a 'stalemate' and was 'the core' of the Round (China, 2003). Indonesia regarded agriculture as of 'fundamental importance' arguing for liberalization but also to protect 'certain strategic or special products' (Indonesia, 2003). India spoke of 'policy space to deal with sensitive (agricultural) products' arguing that reduction of agricultural subsidies was a precondition for further Indian cuts in agricultural protection (India, 2003). Brazil contended that the source of most discrimination in trade and the most significant 'again' which to reduce poverty was in the agricultural sector (Brazil, 2003).

The suspension of the Doha Development Round in July 2006 further confirms the central role played by the United States and the European Union. The inability of these two WTO members to reach an agreement on modalities for the further liberalization of agriculture brought about an official 'suspension' of negotiations by the Director General of the WTO Pascal Lamy. According to Lamy, the end of Doha would not "a major economic shock that would precipitate any particular market crisis" but it would be like "a slowly developing disease that would progressively sap the strength of the multilateral trading system built up over the past 50 years" (Lamy, 2006).

It is not without importance that 2007 will be an important year for the US Congress, both in terms of the future life of the infamous Farm Bill and the extension of trade authority from Congress to the President (Lamy, 2006). Like most developed country democracies the needs and demands of local constituencies will weigh heavily on their minds of these Congressmen and Congresswomen. Given the present preoccupation with the Iraq War and its resolution, one wonders how keenly the new Democratic Congress will manage the Doha Round and in turn, their President. In any event, the Chairman of the African Union President, Dennis Sassou N'Guesso of the Congo merits the last word:

"For millions of our citizens, the Doha Development Agenda represents the hope of improving their living standards and freeing themselves from absolute poverty. WTO members, in particular the developed countries, have a duty, a responsibility and a moral obligation not to disappoint the African countries and their belief in the multilateral trading system by failing to honor the promises made at Doha" (African Union, 2006).

## Conclusion

In conclusion, the world trading system manages the balance between the pursuit of national advantage on one hand and concessions necessary for participation in a cooperative arrangement involving competitive nation-states on the other. These states are

at different levels of 'development', some post-industrial, some industrializing and others languishing. This world includes on one hand the horrors of human rights violations and economic suffering, and on the other, the travails of post-industrial prosperity including management of high cost production and the mental strains of development. Therefore, it is not surprising that the world trading system has evolved to in some way take account of certain pragmatic necessities and accommodations. The aim is never Declamation, about free trade. It concerns in some deep sense the struggle for prosperity as outlined by the UN and the original GATT Preamble in the late 1940s. Post-industrial societies grapple with the same issues as developing countries, yet from a different perspective. This means that the attainment of 'development' is never fully resolved. To recognise the pragmatic realities of the world trading system and the complexities of economic development is a good starting point for the future discourse on the WTO.

The relationship between the World Trade Organization and economic development is complex. All countries, according to the United Nations have the 'right to development' but once developed, countries are not free from competitive international pressure or societal problems. Democratic governments in particular, need to listen to the needs of those whom they represent and this will often conflict with the expectations of those in less developed countries. The WTO therefore has to balance these competing expectations in a spirit of pragmatism. While governments must listen to their populations, the nature of the world trading system also requires a degree of practical enlightenment in seeking the greater global good alongside the national interest. Economic development is the only path to prosperity for developing countries. It is a terrible process, but essential. To this end, countries at all levels of development, even post-industrial states need to do their utmost, especially in the world trading system to assist the weaker states to create and sustain national economic prosperity. The alternative is a world where there is a great disparity of economic wealth, which is a breeding ground for resentment and conflict.

- 1 One recent Australian survey found that 62 % of Australians believed they were unable to purchase everything they needed (Hamilton, 2002: 44).
- 2 For example, 127 million Americans are overweight, 60 million are obese and 9 million severely obese (American Obesity Association, 2005).
- 3 Ingrams, Elizabeth, (2005) "Depression", *Japan Times*, July 10; "suicides top 30,000 for seventh year", *Japan Times*, June 3
- 4 Nakamura (1995) Wade (1990) and Johnson (1982) provide a good introduction to the issues.
- 5 *The Australian*, July 5, 2005, "End Farm Subsidies says Bush"
- 6 The phrase 'free trade' is absent from both the Preamble of the GATT and the WTO.
- 7 The GATT was a single trade agreement in 1948. The WTO contains 13 agreements. The International Standards Organization (ISO) responsible for writing international technical standards has 3000 technical groups and draws from the expertise of 50, 000 experts worldwide (ISO, 2005).

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## 世界貿易機関、経済発展、国家繁栄

発展途上国において、繁栄への唯一の道は経済発展である。この過程は非常に厳しいが不可欠である。それゆえに、すでに産業化された国家も含め、発展の程度にかかわらず殆どの国々は、特に世界貿易体制において、経済的に弱い国が自国の経済繁栄を確立し、そして維持するために援助しなければならない。それに代わるものは、憤慨や紛争の温床である経済的な豊かさが非常に不均衡な世界である。本論文では、世界貿易機関 (World Trade Organization /WTO)、経済発展、国家繁栄の関係に関する重要な要素を検討する。まず、経済発展の奨励における国際連合 (United Nations) と世界貿易体制の役割について考察する。次に、先進国における国家繁栄の本質と国家政策に影響を与えている競争的な重圧を考察する。最後に、WTOのドーハ開発アジェンダに関連する国家の役割と最近の開発を述べる。

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