

## Wealth and Power in the Global Economy Tutorial 6 - The World Trade Organisation (WTO) and the politics of the global trading system

### The WTO: From 'The Battle for Seattle' to 'Hullabaloo in Hong Kong'?

#### Aims and Objectives

By the end of this simulation exercise you should:

1. have a better understanding how the global trading system has developed since 1945 and the evolving role of the General Agreement on Tariffs and Trade (GATT) and the World Trade Organisation (WTO) in governing global trade
2. have a greater awareness of the WTO and the values underpinning its role in the global trading order
3. be able to identify and explain the principal advantages and disadvantages of the WTO
4. be able to enable greater understanding of the politics of global trade by orally communicating ideas, information and arguments about the WTO

#### Scenario

In December 2005 the WTO reconvened in Hong Kong for its Sixth Ministerial Conference. Many critics asserted that this meeting achieved nothing, especially for less developed countries. Moreover, the conference was again marred by violent protests from those opposed to the WTO and its agenda. Mindful of the fact that anti-WTO and anti-globalisation protestors have promised to disrupt future events the organisation has decided to act. The WTO has arranged a forum where representatives of the WTO and hostile protest groups can meet to put their case and facilitate mutual understanding.

#### The task and ground rules

The tutorial group will have already been split into two teams of approximately equal size - one representing the delegation from the WTO, the other representing the anti-globalisation protestors. You will be required to work **as a team** to prepare a case to be presented to the forum which will be held in the tutorial on **7<sup>th</sup> March**. Decisions about when, where and how frequently you meet will be left to the discretion of individual teams. Past experience suggests that in addition to undertaking your own research you will need to spend two to three hours in your teams organising your presentation.

**Please remember that you must come to the seminar fully prepared to make your presentation on 7<sup>th</sup> March.**

The precise nature of the presentations will also be left to the discretion of individual teams. However, there are a number of ground rules and pointers I wish you to bear in mind:

1. Presentations should last no more than 12 minutes - this limit will be strictly enforced

2. After the presentations have been made the floor will be opened up for questions and discussion - come prepared to defend your own position and to critique the position of the other team
3. You are making your presentation to the opposing team not to me. I shall be there to chair the session and referee the debate

### **Your task**

You are part of the delegation representing the WTO. Your task is to justify the WTO's position in global trade and to defend it against criticism.

### **Hints**

A good starting point is the WTO website ([www.wto.org](http://www.wto.org)) and the *10 Benefits of the WTO trading system* ([http://www.wto.org/english/res\\_e/doload\\_e/10b\\_e.pdf](http://www.wto.org/english/res_e/doload_e/10b_e.pdf)) and *10 Common Misunderstandings About the WTO* ([http://www.wto.org/english/res\\_e/doload\\_e/10mis\\_e.pdf](http://www.wto.org/english/res_e/doload_e/10mis_e.pdf)). However, these are only a starting point and I would recommend that someone in the group takes a look at

P.Legraine, *Open World: The Truth About Globalisation*, Chapter 8

J.Bhagwati, *In Defense of Globalisation*, Chapter 5-11.

M.Wolf, *Why Globalisation Works*, Chapter 10

There are a number of excellent journal articles on the WTO many of which are listed on the module outline. The work of Rorden Wilkinson is particularly perceptive and well informed.

Key questions you might wish to think about include:

What are the advantages of the WTO? What are the dangers of abolishing the WTO?

Why is the WTO the best organisation to promote freer trade?

What are the differences between the WTO and the GATT that preceded it? What advantages does the WTO have over GATT?

You should also be aware of your weaker points. In particular you may wish to think about:

How can you defend the WTO against the charge that it discriminates against weaker countries?

How do you respond to the charge that the WTO is an undemocratic organisation?

Does the WTO prioritise freer trade at the expense of the environment, labour standards and development?

Finally you need to think about questions for the opposing team.