ANSWERS TO TRADE

Strategy Notes & Suggestions

This file is useful in two major ways. First, it provides direct answers to many arguments found in the Trade Counterplan available from debate-central during the Fall 2007 semester. Second, it provides impact arguments against 'free trade' and the World Trade Organization (WTO). These arguments can be useful both this season and into the future whenever issues of international trade and/or the WTO arise.

Be careful not to double-turn yourself with the arguments at the end of the file (WTO decreases trade). You probably would not want to say 'trade is bad' and "WTO decreases trade' in the same round.

AT: Free Trade Solves Poverty

Free Trade does NOT solve poverty or boost wages, best and biggest study proves

Tonelson '02

[Alan Tonelson, a research fellow at the U.S. Business and Industry Council Educational Foundation, is the author of "The Race to the Bottom" (Westview Press). Kirk Raymond, a foundation research associate, assisted in preparing this article. "There's Only So Much That Foreign Trade Can Do," Originally published in the Washington Post, June 2, 2002, downloaded from http://www.globalpolicy.org/wtc/terrorism/2002/0602trade.htm download date: 2-7-08]

Contrary to the view of globalization supporters and even some critics, trade with the United States does not automatically provide Third World workers with the keys to wealth and happiness. In a recent survey, the Reston-based consulting firm Werner International Inc. has compiled nearly a decade's worth of hard data on actual wages paid to workers in an industry that is seen as crucial to Third World hopes for industrialization -- apparel. Perhaps no other industry has profited more from exporting to the United States. And yet the figures show that there has been almost uniform wage meltdown in the apparel industry in the Third World. Take Pakistan, a front-line combatant in the anti-terror campaign that has complained bitterly about supposedly miserly U.S. trade breaks. Yet from 1990 to 2001, Pakistan's annual apparel exports to the United States rose nearly 400 percent, to more than $ 1.5 billion. Nonetheless, between 1990 and 1998, the period covered by the Werner study, nominal wages for Pakistani apparel workers stayed absolutely flat, at 24 cents per hour. Because inflation in Pakistan totaled 137 percent from 1990 to 1998, the wages of apparel workers fell way behind the cost of living.

NATO member Turkey is clamoring for trade breaks, too, as a reward for buttressing U.S. strategy in the Middle East and Central Asia. Turkey is already a significant apparel exporter to the United States, with shipments rising 168 percent between 1990 and 1998, and growing even faster through 2001. Yet from 1990 to '98, while Turkish apparel wages increased by 36.3 percent, the country was gripped by near-hyperinflation that saw living costs soar by more than 1,800 percent. A similar pattern holds in countries such as the Philippines, Egypt and Peru. Wage trends for apparel workers are grim, even allowing for the dollar's appreciation against many local currencies in the developing world.

In some countries, the pattern extends far beyond the apparel industry. A 1999 report from the Harvard Institute of International Development and the World Economic Forum revealed falling real wages, in local currency, across all sectors of the economy in China, Indonesia and the Philippines between 1990 and 1997. This backsliding occurred well before the region's financial collapse. All of this contradicts the prevailing theory of the moment. "America's trade leadership" can help provide answers for Third World allies "who ask for economic hope to counter internal threats to our common values," U.S. Trade Representative Robert Zoellick wrote a week after Sept. 11. The virtues of trade for developing countries have also been endorsed by the World Trade Organization, the World Bank, Oxfam International and a U.N. anti-poverty summit.

But in the real world, the answers are anything but clear-cut. In theory, the solution to developing countries' problems might be to send yet more apparel to the United States. But the experience, whether from Pakistan, from Turkey or from Mexico, is not encouraging. Mexico is rapidly becoming America's largest source of apparel imports -- $ 9 billion worth in 2001. Yet Mexican apparel wages have risen less than one-seventh as fast as that nation's living costs.

Critics of today's trade policies and even supporters who acknowledge the wage problem offer several plausible explanations, ranging from low productivity rates in developing countries to a lack of worker rights. Yet the reasons are more fundamental. First, greater trade cannot be even a near-panacea for global poverty because this condition has many other roots. None is more central than bad and often crooked governance, which prevents scores of developing countries from organizing themselves well enough to exploit trade opportunities when they are offered.

Second, the developing world literally is drowning in labor. The economic liberalization wave that swept major Third World countries, starting with China's reform program in the late 1970s, has made an unprecedented number of workers available to international businesses. In particular, the Asian and Latin American regions that have opened economically feature not only huge, rapidly growing populations and workforces, but towering rates of unemployment -- an estimated 20 percent in China alone. Sub-Saharan Africa and low-wage East European countries such as Ukraine are waiting in the wings. This worldwide labor glut depresses the value of workers the way the oversupply of any product depresses the price of that product. These pressures are especially powerful in labor-intensive industries such as apparel, where international corporations seldom own factories and instead often shop from country to country for the lowest wages.

Trade Liberalization → Poverty & Famine

Trade Liberalization brings mass poverty, food insecurity and famines worldwide

Kenny '07

[Zoe, "The Economic Causes of World Hunger," From: Comment & Analysis, Green Left Weekly issue #728, Release date: October 24, 2007, http://www.stwr.net/content/view/2336/37/ download date: 2-16-08]

On October 16, events in more than 150 countries marked World Food Day, which commemorates the founding of the UN's Food and Agriculture Organisation, with the theme of "the right to food".
Despite the UN's 1974 World Food Conference setting the ambitious goal of ending world hunger "within a decade", freedom from hunger remains more like a privilege than a "right".
According to the FAO, at least 800 million people in the world go hungry every day, and the lives of at least 400 million children being blighted by malnutrition in the first few months after being born.
The FAO has declared that hunger is "the most critical manifestation of poverty", with about 1.5 billion people having to live on less than US$1 a day and someone dying of hunger every 3.6 seconds.
This dire situation is only set to worsen as an combination of climate change, social conflict, the global push for biofuels and rising oil prices combine to push more people in poor countries into hunger.
The persistence of widespread hunger is a result of reliance by the FAO and most of the world's governments on either "market forces" or superficial quick-fixes of increasing food aid to eliminate hunger.
As long as the systemic causes of hunger and poverty are ignored any goals, no matter how well-meaning, will be bound to fail. As Cuban President Fidel Castro noted at the UN's 1996 World Food Summit: "Hunger, inseparable companion of the poor, is the daughter of the unequal distribution of wealth and of the injustices of this world. The rich do not know hunger…
"It is capitalism, neoliberalism, the laws of a savage market, external debt, underdevelopment, unequal exchange, which are killing so many people in the world."
The worst hunger is found in rural areas of the Third World. Small-plot farmers and cooperatives have been worst affected by global trends. International financial institutions such as the World Bank and the International Monetary Fund have pushed for trade liberalisation in poor countries as a condition for receiving much-needed loans. First World governments have hypocritically forced poor countries to eliminate subsidies for farmers while maintaining billions of dollars worth of subsidies to their own farmers.
Other factors bearing down on small farmers in the Third World have been the pressure to grow export-oriented cash crops rather than food crops for domestic consumption, the higher costs of seeds due to genetic patenting by Western corporations, and the slow pace of land reform.
For one or all of these reasons, increasing numbers of Third World farmers have found they are unable to compete with the uncompetitively priced First World agricultural products dumped onto poor countries, and are forced to sell their land leading to the mass exodus to urban slums.
With less food produced domestically, poor countries are losing the struggle to achieve food sovereignty, thus becoming more dependent on the corporate-dominated world market for food supplies. A drop in the exchange rate relative to the US dollar or the euro of a poor country's currency or a sharp increase in world commodity prices can quickly cause such a country to descend into a food crisis.

Trade Liberalization → Poverty & Famine

Case of Niger proves trade liberalization bring more poverty and more famine

Mousseau and Mittal, Oakland Institute, '06

[Frederic Mousseau, a senior fellow at the Oakland Institute. Anuradha Mittal, the executive director of the Oakland Institute. "Free Market Famine," Foreign Policy in Focus, October 26, 2006, http://www.fpif.org/fpiftxt/3644 download date: 2-18-08]

Niger is a land-locked country in Central West Africa. With an estimated population of 12.4 million (in 2005) largely concentrated in a narrow band of arable land along its southern border, Niger transitioned to a democratically elected government in 1999, following almost a decade of political instability. Rural subsistence agriculture, livestock, uranium-mining, and informal trading activities dominate Niger's economy. Rainfed agriculture contributed 40% to Niger's GDP in 2005, while livestock production accounts for about one-third of the country's value-added sector.
A vast but poor country, Niger ranked last out of 177 countries on the UN Development Program's Human Development Index in 2005. Sixty-three percent of Niger's population lives on less than a dollar a day, and the per capita gross domestic product (GDP) was $280 in 2005. Social indicators are low: the infant mortality rate is 151.8 per 1,000, life expectancy is 44.7 years, the literacy rate is 17%, and gross primary school enrollment is 52.4%. Even when harvests are good, a shocking 40% of children—one million—suffer from chronic malnutrition, and Niger's under-five mortality rate is the second highest in the world. A September 2005 nutritional survey conducted by UNICEF, the U.S. Centers for Disease Control, and the government of Niger confirmed that 15.3% of children under five years of age suffer from acute malnutrition.
Niger's poverty and widespread hunger hit the world news in 2005 with the terrible food crisis that affected millions of people and led to widespread child malnutrition. Between January and October 2005, relief organizations treated some 230,000 children under the age of five, including 60,000 who were severely malnourished—surpassing past records of relief intervention. Despite this large-scale effort, thousands of children died of hunger-related causes.
Roots of the Problem
The 2005 food crisis in Niger has been blamed on locust invasion and drought. Yet Niger did not face an exceptional drop in production in the 2004–2005 agricultural year. Production at the end of 2004 was only 7.5% below the national food requirement. In fact, the 2005 crisis cannot be singled out as an isolated episode in Niger's history, as the country faces a chronic nutritional emergency.
According to Doctors Without Borders/Médecins Sans Frontières (MSF), an independent international medical humanitarian organization that delivers emergency aid, malnutrition remains pervasive even in years of bountiful harvests (such as 2001 and 2003) and is most prevalent in the Maradi region, which has been nicknamed the breadbasket of Niger. Acute malnutrition is rampant in Niger and admission to feeding programs in the Maradi region have been increasing year after year, with peak admissions between June and September—just before the harvest. In July 2006, MSF reported that they treated 10,000 to 20,000 children annually in the Maradi region in 2004, but during the first quarter of 2006 they provided treatment to more than 26,000 children suffering from acute malnutrition.
Niger is not alone. UN aid workers estimate West Africa is among the most dangerous places for children, with an estimated 300,000 children under the age of five facing the risk of death from malnutrition every year in the Sahel—which includes Senegal, Mauritania, Mali, Niger, Chad, and Burkina Faso.
A key reason for the persistent hunger in Niger and elsewhere has been the impact of free market economic reforms. In Niger, the government removed critical regulations on the cereal market, which led to large seasonal fluctuation in prices. High food prices in turn not only made food inaccessible but diverted family income away from health and education expenditures. Farmers growing cash crops, farm workers, and small-scale farmers who are unable to produce enough food to cover the full extent of their food needs have been the most adversely affected by the high food prices. In addition to the problem of inflation, Niger exported food at a time of food deficits.
Telling Example
Niger's story is one of entrenched and deepening poverty. Relying on the market to solve food shortages has only left the poorest people hungrier and driven more of the population into chronic poverty. Development policies that promoted economic liberalization and encouraged regional integration along with specialization, commercialization of agriculture, and the withdrawal of the state from regulating the market have left Niger less able to meet its own needs than ever. The monopoly power of large traders over the national cereal trade has centralized control over food access, and global economic factors, such as rising cereal prices and fluctuating currency prices, have destabilized regional markets.
If solutions are to be found to Niger's chronic food shortage, political will and international commitment will be necessary, as well as a shift away from the free market ideology that has been a key factor in the country's descent. Alternative agricultural development models such as agro-forestry have been shown to yield profound and lasting improvements in food security, but they require a long-term and systemic view of development that is not characteristic of how the international community approaches the fight against hunger. Small-scale farmers are those primarily affected by hunger and should be at the center of development policies.
The 2005 food crisis in Niger is a telling example of how emergency aid is an inadequate—and yet essential—component of development policy when food security is left solely to market forces. The global community must choose between continuously shoring up the faltering economies of countries such as Niger or making an effort to find solutions that will allow the world's poorest country to forever shake off that title.

AT: Trade Liberalization empirically reducing global inequality and poverty

Empirically Denied: Global inequality and poverty are highest ever recorded – new economic data proves

Milanovic, Lead Economist, World Bank's Research Department, '08

[Branko, also an associate scholar with the Carnegie Endowment for International Peace, "Developing Countries Worse Off Than Once Thought – Part I: New estimates of global prices expose poverty and revolutionize the field of economics," YaleGlobal, 11 February 2008, http://yaleglobal.yale.edu/display.article?id=10333 download date: 2-18-08]

The economics profession underwent a revolution in December last year, as economic understanding of the world suddenly shifted.
Suddenly the world has more poor. Incomes declined in emerging economies: down by 40 percent in China and India, 17 percent in Indonesia, 41 percent in the Philippines, 32 percent in South Africa and 24 percent in Argentina. For Indonesia, the decline was far worse than the Asian crisis, and for China and India, the decline was worse than the one experienced by Germany during the Great Depression. Yet hardly anyone noticed.
The event was the release of new estimates of purchasing power parity, or PPP. Measured as part of a large international endeavor called the International Comparison Program, PPP aims to accurately calculate a country's economic power rather than simply dividing total national output by a country's population.
As every tourist knows, prices of goods and services differ widely between the countries. Poorer countries generally have lower price levels. A nice dinner, a haircut or a concert ticket, using market-exchange rates, cost much less in China or India than in the US or Norway. But the good or service is the same and, in principle, must be valued equally. The objective of the project is to compute difference in price levels, so that each unit of consumption can be valued the same, regardless of where it's consumed. Only then can true output and welfare differences between the countries be assessed.
Measuring price levels is an immensely complicated project that involves detailed reporting of more than 1000 prices of goods and services in almost 150 countries. A project of this magnitude has never been undertaken before. The most similar project took place in 1993, including data for about 100 countries and a limited range of goods. More importantly, the 1993 survey did not include China, which officially participated for the first time in the 2007 report, or India, which had participated since 1985.
The recent data include not only China and India, but countries that include 95 percent of world population and about 99 percent of world output. The list of surveyed goods and services was augmented, the methodology improved and 146 national statistical agencies collaborated along with international bodies including the United Nations, the International Monetary Fund, the World Bank, Eurostat, the Economic Commission for Latin America, Asian and African Development Banks and others.
Price comparisons are important for at least two reasons:
First, they provide so-called PPP exchange rates, that is, in principle, with one PPP dollar, one can purchase the same bundle of goods and services in all countries. For example, with 100 PPP dollars, I would be equally well off in India and the US, even if that may involve only 30 "real" greenback dollars in India and 100 greenback dollars in the US.
Second, by using these exchange rates, we can convert incomes expressed in local currency and obtain "true" gross domestic product (GDP) per capita, reflecting real welfare and productivity of citizens. All inter-country comparisons, including poverty rates, depend on PPPs. When we say that one-third of the population in India lives at incomes below $1 a day, that one dollar a day is a PPP-converted dollar a day.
For modern global economics, PPP is like oil. One cannot move far without a method of comparison. So on December 17, 2007, this most detailed study of the world economy ever undertaken issued the conclusion that price levels in most Asian countries – in particular India, China, Indonesia and the Philippines – are much higher than assumed by economists, based on the outdated 1993 results. Not everybody's GDP per capita declined. Incomes in some countries – Russia, Nigeria, Egypt, Lebanon – increased, but the increases were more modest than the declines. For the rich countries, the revisions were minimal, falling within the 2 to 4 percent range.
These new estimates will have far-ranging consequences. Literally hundreds of scholarly papers on convergence or divergence of countries' incomes have been published in the last decade based on what we know now were faulty numbers. With the new data, economists will revise calculations and possibly reach new conclusions.
With the study's release, our view of the world has changed. While economists previously thought that US GDP per capita was 6 or 12 times higher than that of China and India, respectively, these numbers have been revised to 10 and 20 times. Until last month, economists thought that China accounted for 15 percent of world economy; it's now revealed to represent less than 10 percent.
In its December forecast of 2008 global economic growth, the IMF took account of the new numbers, lowering its projected global growth rate by one-half of a percent because high projected growth rates of China and India will pose less of an overall impact. In other words, China's expected growth of 10 percent will add only about 1 percent to global output rather than 1.5 percent.
These new results may, somewhat paradoxically, help the case of India, China and other poorer countries in having the International Monetary Fund accept using PPP-adjusted GDP to calculate countries' quotas, which determine voting rights and the ability to borrow from the fund. The new results show that moving to PPP-adjusted GDP does not entail a change as huge as earlier thought, and the rich countries may be more willing to accept it.
Implications for the estimates of global inequality and poverty are enormous. The new numbers show global inequality to be significantly greater than even the most pessimistic authors had thought. Until the last month, global inequality, or difference in real incomes between all individuals of the world, was estimated at around 65 Gini points – with 100 denoting complete inequality and 0 denoting total equality, with everybody's income the same – a level of inequality somewhat higher than that of South Africa. But the new numbers show global inequality to be 70 Gini points – a level of inequality never recorded anywhere.
Similarly, until last month, the number of people living at less than $1 PPP per day was estimated at just under one billion. The call to action issued at the Davos World Economic Forum still speaks of "980 million people who live on less than 1 dollar a day." But this was based on old estimates of price levels. Now, we know that the price levels in these and many other poor countries are higher, and the measured number of the poor will jump.

AT: Trade Liberalization empirically reducing global inequality and poverty

Tariffs promote economic growth, neo-liberalism causes decline – World History supports our side

Johnson '08

[Chalmers Johnson, President of the Japan Policy Research Institute & Professor Emeritus at the University of California, San Diego. "Tom Friedman's Folly: The Lies Behind 'Free Trade'" February 11, 2008, **http://www.stwr.net/content/view/2680/1/** download date: 2-19-08]

In Chang's conception, there are two kinds of Bad Samaritans. There are the genuine, powerful "ladder-kickers" working in the "unholy trinity" of the International Monetary Fund (IMF), the World Bank, and the World Trade Organization (WTO). Then there are the "ideologues - those who believe in Bad Samaritan policies because they think those policies are 'right', not because they personally benefit from them much, if at all". Both groups adhere to a doctrine they call "neoliberalism". It became the dominant economic model of the English-speaking world in the 1970s and prevails at the present time. Neoliberalism (sometimes called the "Washington Consensus") is a rerun of what economists suffering from "historical amnesia" believe were the key characteristics of the international economy in the golden age of liberalism (1870-1913).

Thomas Friedman calls this complex of policies the "Golden Straitjacket", the wearing of which, no matter how uncomfortable, is allegedly the only route to economic success. The complex includes privatizing state-owned enterprises, maintaining low inflation, shrinking the size of the state bureaucracy, balancing the national budget, liberalizing trade, deregulating foreign investment, making the currency freely convertible, reducing corruption, and privatizing pensions. It is called neoliberalism because of its acceptance of rich-country monopolies over intellectual property rights (patents, copyrights, et cetera), the granting to a country's central bank of a monopoly to issue bank notes, and its assertion that political democracy is conducive to economic growth, none of which were parts of classical liberalism. The Golden Straitjacket is what the unholy trinity tries to force on poor countries. It is the doctrinal orthodoxy taught in all mainstream academic economics departments and for which numerous Nobel prizes in economics have been awarded.

In addition to being an economist, Ha-Joon Chang is a historian and an empiricist (as distinct from a deductive theorist working from what are stipulated to be laws of economic behavior). He notes that the histories of today's rich countries contradict virtually all the Golden Straitjacket dicta, many of which are logically a result rather than a cause of economic growth (for example, trade liberalization). His basic conclusion: "Practically all of today's developed countries, including Britain and the US, the supposed homes of the free market and free trade, have become rich on the basis of policy recipes that go against neo-liberal economics". All of today's rich countries used protection and subsidies to encourage their manufacturing industries, and they discriminated powerfully against foreign investors. All such policies are anathema in today's economic orthodoxy and are now severely restricted by multilateral treaties, like the WTO agreements, and proscribed by aid donors and international financial organizations, particularly the IMF and the World Bank.

Chang offers some fascinating vignettes of men and books that were infinitely more important in the economic development of the rich countries than Adam Smith's The Wealth of Nations. These include a precis of a virtually unknown book by Daniel Defoe, A Plan of the English Commerce (1728), on Tudor industrial policy in developing England's woolen manufacturing industry. As a result of many of Defoe's ideas, manufactured woolen products became Britain's most important export industry. Chang continues with a short life of Robert Walpole, the chief architect of the mercantilist system. By 1820, thanks to Walpole's protectionist policies, Britain's average tariff on manufactured imports was between 45 and 55 percent, whereas such tariffs were six to eight percent in the Low Countries, eight to twelve percent in Germany and Switzerland, and around twenty percent in France.

Turning to the United States, Chang focuses on Alexander Hamilton, the first American secretary of the treasury and the man who coined the term "infant industry". Although he did not live to see it, by 1820 Hamilton's forty percent tariff on manufactured imports into the United States was an established fact. Hamilton provided the blueprint for US economic policy until the end of the Second World War. The 19th and early 20th century US tariffs of forty to fifty percent were then the highest of any country in the world. Throughout this same period, it was also the world's fastest growing economy. Much like contemporary China, whose average tariff was over thirty percent right up to the 1990s, neither American nor Chinese protectionism inhibited foreign direct investment but rather seemed to stimulate it. With the US abandonment of overt protectionism after it became the world's richest nation, it still found measures to advance its economic fortunes beyond what market forces could have achieved. For example, the US government actually paid for fifty to seventy percent of the country's total expenditures on research and development from the 1950s through the mid-1990s, usually under the cover of defense spending.

The Third World was not always poor and economically stagnant. Throughout the golden age of capitalism, from the Marshall Plan (1947) to the first oil shock (1973), the United States was a Good Samaritan and helped developing countries by allowing them to protect and subsidize their nascent industries. The developing world has never done better, before or since. But then, in the 1970s, scared that its position as global hegemon was being undermined, the United States turned decisively toward neoliberalism. It ordered the unholy trinity to bring the developing countries to heel. Through draconian interventions into the most intimate details of the lives of their clients, including birth control, ethnic integration, and gender equality as well as tariffs, foreign investment, privatization decisions, national budgets, and intellectual property protection, the IMF, World Bank, and WTO managed drastically to slow down economic growth in the Third World. Forced to adopt neoliberal policies and to open their economies to much more powerful foreign competitors on unequal terms, their growth rate fell to less than half of that recorded in the 1960s (1.7 percent instead of 4.5 percent).

Since the 1980s, Africa has actually experienced a fall in living standards - which should be a damning indictment of neoliberal orthodoxy because most African economies have been virtually run by the IMF and the World Bank over the past quarter-century. The disaster has been so complete that it has helped expose the hidden governance structures that allow the IMF and the World Bank to foist Bad Samaritan policies on helpless nations. The United States has a de facto veto in both organizations, where rich countries control sixty percent of the voting shares. The WTO has a democratic structure (it had to accept one in order to enact its founding treaty) but is actually run by an oligarchy. Votes are never taken.

Because of the shortcomings of neoliberalism, the main international development bureaucracies as well as much of the academic economics establishment have been busy trying to find plausible scapegoats or excuses. One of the most transparent was Paul Wolfowitz's emphasis on poor-country corruption during his short tenure as president of the World Bank. He propounded the increasingly popular view that the World Bank gave good advice that failed because Third World leaders were corrupt and subverted its implementation. The problem with this idea is, as Chang puts it, "Most of today's rich countries successfully industrialized despite the fact that their own public life was spectacularly corrupt". He has in mind places like the late 19th century United States and post-World War II East Asia, about which Chang as a South Korean speaks with insights from the inside, and China today.

Among the conundrums encountered in trying to argue that corruption has subverted neoliberalism are the cases of Zaire (yesterday, the Congo) under General Mobutu and Indonesia under General Suharto. Both Mobutu and Suharto were flagrantly corrupt, murderous military dictators of the sort often preferred by the United States, but with one major difference - whereas Zaire's living standards fell threefold during Mobutu's rule, Indonesia's rose by more than the same amount during Suharto's rule. The explanation seems to be that in Indonesia, the money from corruption mostly stayed inside the country in the hands of Suharto's numerous relatives, who used some of it to create jobs and incomes. In Zaire, the proceeds from corruption went straight into Swiss banks and other hidden foreign accounts. Corruption is, of course, a problem, but to say that it is the reason for the spectacular failures of neoliberal economic programs is unconvincing.

Poverty → War & Genocide

Extreme poverty brings violence, war, and genocide – Darfur is a prime example

Sachs, Professor of Economics, Columbia, '07

[Jeffrey Sachs, "No Development, No Peace," Project Syndicate, July 31, 2007, http://www.project-syndicate.org/commentary/sachs131 download date: 2-18-08]

Anyone interested in peacemaking, poverty reduction, and Africa's future should read the new United Nations Environment Program (UNEP) report titled Sudan: Post-Conflict Environmental Assessment. This may sound like a technical report on Sudan's environment, but it is much more. It is a vivid study of how the natural environment, poverty and population growth can interact to provoke terrible human-made disasters like the violence in Darfur.

When a war erupts, as in Darfur, most policymakers look for a political explanation and a political solution. This is understandable, but it misses a basic point. By understanding the role of geography, climate, and population growth in the conflict, we can find more realistic solutions than if we stick with politics alone.

Extreme poverty is a major cause, and predictor, of violence. The world's poorest places, like Darfur, are much more likely to go to war than richer places. This is not only common sense, but has been verified by studies and statistical analyses. In the UNEP's words: "There is a very strong link between land degradation, desertification, and conflict in Darfur."

Extreme poverty has several effects on conflict. First, it leads to desperation among parts of the population. Competing groups struggle to stay alive in the face of a shortage of food, water, pasture land, and other basic needs. Second, the government loses legitimacy and the support of its citizens. Third, the government may be captured by one faction or another, and then use violent means to suppress rivals.

Darfur, the poorest part of a very poor country, fits that dire pattern. Livelihoods are supported by semi-nomadic livestock-rearing in the north and subsistence farming in the south. It is far from ports and international trade, lacks basic infrastructure such as roads and electricity, and is extremely arid. It has become even drier in recent decades because of a decline in rainfall, which is probably the result, at least in part, of man-made climate change, caused mostly by energy use in rich countries.

Declining rainfall contributed directly or indirectly to crop failures, the encroachment of the desert into pasturelands, the decline of water and grassland for livestock, and massive deforestation. Rapid population growth - from around 1 million in 1920 to around 7 million today - made all of this far more deadly by slashing living standards.

The result has been increasing conflict between pastoralists and farmers, and the migration of populations from the north to the south. After years of simmering conflicts, clashes broke out in 2003 between rival ethnic and political groups, and between Darfur rebels and the national government, which in turn has supported brutal militias in "scorched earth" policies, leading to massive death and displacement.

International diplomacy has focused on peacekeeping and on humanitarian efforts to save the lives of displaced and desperate people, but peace in Darfur can be neither achieved nor sustained until the underlying crises of poverty, environmental degradation, declining access to water, and chronic hunger are addressed. Stationing soldiers will not pacify hungry, impoverished, and desperate people.

Trade Liberalization → Polarization & Extinction

Continuation of free trade patterns risks massive inequality leading to global extinction

Barraclough, '94

[Solon, Former Director of the United Nations Research Institute for Social Development, "The Perils of 'Free Trade'", June 10, http://www.sunsonline.org/trade/areas/environm/06100094.htm]

The warnings of imminent global environmental collapse induced by continued rapid economic growth (as conventionally measured) are probably justified. But the case against free trade would be more convincing for sceptical readers if the authors recognized explicitly the many uncertainties involved. Those who foresee infinite human capacities for technological and social adaptations to cope with environmental degradation can cite a great deal of historical evidence in support of their positions. Optimistic assumptions about the future, however, are at least as metaphysical as are catastrophic ones. In any event, the case against unregulated trade does not have to rest primarily upon ecological arguments, as is clear in the paper.

The authors' implicit assumption that GATT could be reformed, or subsumed in a supranational agency such as UNCTAD, to be more sensitive to social and environmental issues confronting poor countries and poor people seems rather utopian. Globalization through trade and other processes has been proceeding for several centuries. The evolution of the world system is not likely to be much influenced by a few reforms relating to trade. These could only help if they were part of a much more profound restructuring of social relations globally, nationally and locally. What social forces could bring about such reforms is the key issue. That GATT could be an effective instrument in guiding trade towards goals of more sustainable development appears improbable. Its rules can only be amended by a two thirds majority of its members which excludes it from assuming a leadership role. Although 90 per cent of international trade is accounted for by GATT members, only about one tenth of their trade is "unregulated". Moreover, GATT has virtually no enforcement powers. Its Disputes Panel can authorize an aggrieved member to take retaliatory measures against the offending party. Authorizing trade retaliation of weak members against strong ones can be about as effective as a civil court authorizing an abused child to retaliate against its adult abuser.

What is needed to promote more sustainable development is an effective international body capable of overseeing, regulating and taxing international capital movements and trade, taking into account environmental and social criteria. Only the most powerful nation states are now able to influence the global activities of transnational corporations. These already control some 70 per cent of world trade and can move billions of dollars instantaneously from one country to another.

International regulation of transnational corporations in the interests of the world's peoples, and especially its poor, is imperative. Such a regulatory body would have to be democratically constituted and accountable. Politically, it seems unlikely in the present context. The United Nations Centre on Transnational Corporations was abolished after the mild code of conduct it had negotiated failed to gain approval even after it had been watered down to such an extent that many observers called it a code of privileges. Mobilizing the social forces required to create democratic institutions designed to steer the world economy more coherently and sustainably is a challenge that social scientists and statespersons should place among their highest priorities.

If economic growth continues following past trends, social polarization would increase. This would generate political tensions, civil conflicts and wars. Development would be socially unsustainable. Population growth would exacerbate these trends, but it would be a rather minor factor in environmental degradation as the poor consume very little.

Human society would be likely to extinguish itself in the flames of conflict long before it exhausted its sources of sustenance or suffocated in its own waste. On the other hand, to the extent more and more people adopt life styles of the present day rich industrial countries, and of the wealthy in poor countries, pressures on the environment would worsen.

Trade Liberalization → WMD Terrorism

Free trade increase increasingly terrorist organizations, end result is WMD attacks

Erhan '02

[Caory, Associate Professor of Political Science at Ankara University, "COMBATING THREATS OF THE GLOBALIZATION ERA", August 30, http://www.teror.gen.tr/english/Articles/cagri_erhan1.html]

Terrorist organizations, which had operated in narrow regions, although they had international contacts before 1990s, started operating globally by taking advantage of the environment brought by globalization and using the adversities stemming from globalization for recruiting members and justifying their causes. Serious measures by international actors against terrorism, which has affected several countries including Turkey for many years, could be implemented after September 11 terrorist attacks. Still it is hard to say whether some powers, especially the European Union, can show the necessary sensitivity on anti-terror measures.

On the other hand, although important steps have been taken against international terrorism since September 11, 2001, it is apparent that terrorism will continue to be a global problem for a long time whose time, scale and target cannot be predicted. Indeed, the mass terrorist attack on the island of Bali on 13 October 2002 which killed 200, the bomb attacks in the subsequent days in the Philippines and the terrorist attack in the Saudi city of Riyadh in May 2003 attest to this.

The most striking difference of terrorist attacks of the globalization era is the evolution of the methods put into use. Nerve gas attack in Tokyo in 1980s, the use of civilian airliners as bombs on September 11, prove that unimaginable methods in addition to the traditional methods will be used by terrorist organizations. Of course in this case, traditional methods to combat terrorism prove insufficient. This has created a new type of threat that is called "asymmetrical threat".

At the basis of asymmetrical threat concept lays the superiority of the attacker against its target despite its relative weakness. Asymmetrical attacks are usually materialized by taking advantage of the weakness of the target. In this method, attackers use the fears of civilians and try to reduce their support to the governmental mechanisms and create political and economic instability with asymmetrical attacks, in which mass destruction weapons, which are easily accessed with globalization, can be used. Again, with the help of information technologies, a very small terrorist organization can attack causing heavy destruction totally out of sync with their number.

AT: Trade ↓ Terrorism

Trade does not solve roots of Terrorism

AEA '01

[American Economic Alert, "When Free Traders Excuse Terrorism", October 25, http://www.americaneconomicalert.org/view_art.asp?Prod_ID=65]

These trade-liberalization-cures-poverty-and-terrorism arguments are puzzling in another way as well. They suggest libertarian and moderate Democrat agreement that today's world trading order is fundamentally unjust and, in particular, unfair to developing countries like Afghanistan. It's tempting to dismiss these arguments by observing that Taliban leaders haven't exactly been clamoring for access to U.S. markets. If anything, they (and other fundamentalist Muslim leaders throughout the Mid East) reject western-style consumerist economic development. More importantly, however, the globalization cheerleaders are conveniently forgetting the triumphalist picture of the world economy they have worked so hard to create since the Cold War's end. As endless studies from the Cato Institute, the Heritage Foundation, and the Progressive Policy Institute have told us, today's version of globalization gives all countries the opportunity to grow rich provided they drop most of their own trade barriers and choking domestic regulations. If third-world socialist holdovers want to ignore the virtues of free markets, they have no one to blame for their poverty but themselves. It's one thing to say that industrialized countries should open their markets more to third world exports (although American trade statistics reveal few developing countries experiencing any difficulty exporting to the United States). It's quite another thing to say, as the free traders have begun suggesting in these writings, that global trade is still so unfair or unfree as to merit some blame for terrorism and other forms of political extremism.

Finally, the cheerleaders' equation of global poverty and terrorism is just plain wrong factually. Not that global poverty levels are not shamefully high. And not that they don't generate understandable anger and frustration. But a reality double-check is urgently needed here:

First, the vast majority of the world's poor are not politically active, much less actual supporters of Bin Laden-style mass murder. Even the rioters in Pakistan are not crossing the Afghan border to sign up with Al Qaeda. And most desperately poor, alienated people will continue to balk at flying airliners into skyscrapers, thus guaranteeing that Bin Laden-style movements will always be numerically tiny. So the notion that free trade is needed to deprive terrorists of oceans of recruits is just nonsense.

Second, the terrorists themselves generally have not come from Afghanistan or other hopelessly impoverished countries. Many are from Saudi Arabia, which even after many relatively lean years still has a per capita income of $7,000. Others, like alleged highjack ringleader Mohammed Atta, come from Egypt. That country clearly is much poorer, but Atta himself was the son of a lawyer, and spent years in Germany studying engineering. Ditto for one of his co-conspirators, Marwan Al-Shehhi. And Osama Bin Laden himself is the son of a billionaire businessman. As the Washington Post has reported, most of the September 11 attackers "did not meet the profile of the prototypical suicide bomber -- young, uneducated, poor, disaffected."

Trade → War

Economic Interdependence increases Risk of War – Persian Gulf proves

Mearsheimer, Professor of Political Science, Chicago, 04

[John, DAY ONE OF A CARNEGIE ENDOWMENT FOR INTERNATIONAL PEACE CONFERENCE SUBJECT: "CHINA'S PEACFUL RISE?" LOCATION: PARK HYATT WASHINGTON HOTEL, WASHINGTON, D.C. Federal News Service September 20, 2004, Federal News Service, lexis]

There's an extensive literature on this subject as well, because this is one of the other great liberal theories of international politics.

There are three great liberal theories. One is democratic peace theory, which we've just dealt with. The second is the argument that international institutions cause peace. And the third argument is that economic interdependence causes peace. And, by the way, when I was in China last year, I gave this talk about 25 times, and that was almost always the principal response that the Chinese directed at me, the economic interdependence argument that this gentleman just laid out.

I think there's no question that sometimes economic interdependence helps foster good relations between states. If you have a situation where you're dealing basically with status quo- oriented powers, security-seekers who are getting rich by dealing with each other, there's no question that in those instances economic interdependence helps push you down the road towards continued peace.

But the fact of the matter is there are all sorts of other cases where economic interdependence either doesn't matter, states go to war anyway, or it's actually a cause of trouble or a cause of conflict.

The most important case which illustrates the first instance is World War I. As almost everybody knows, there was huge amounts of economic interdependence in Europe before World War I. Many people argue that there was as much interdependence in Europe before World War I as there is today. Nevertheless, we had World War I, which is a giant problem for the argument.

With regard to the second issue, you want to keep in mind that sometimes economic intercourse causes frictions. It's a cause of conflict. Let's just take the Persian Gulf. The reason we're so deeply involved in the Persian Gulf and care so much about the Persian Gulf is because of economic interdependence; i.e., they control a huge chunk of the world's oil.

Wouldn't it be much better if we could siphon off all that oil and put it below Nevada and Arizona and Colorado and just have it for ourselves? Then we could largely write that area of the world off. But the problem we face is that economic interdependence has us deeply involved in that area of the world; ergo, economic interdependence, in this case, is a cause of conflict.

So I don't hold out much hope that in U.S.-China relations over time, economic interdependence will be much of a force for peace.

Trade → War

Trade increase risk of war; Less trade would DECREASE the likelihood and intensity of wars – study of 12 major wars proves

Blainey, Professor of Economic History, Melbourne, '88
[Geoffrey, *The Causes of War*, Third Edition, pages 91-96]

Alec Lawrence Macfie fought with the Gordon Highlanders on the Somme in the First World War and then, at the onset of the world depression, became a lecturer in economics at Glasgow University. His experience of the two most shattering events of his generation came together in an odd way, for about 1937 he detected a thread that seemed to connect the outbreak of the war with certain economic conditions. In February 1938 he issued a short article with an ominous warning. Entitled 'The Outbreak of War and the Trade Cycle', it occupied nine pages of a learned journal at the very time when newspapers were mesmerised by the revival of Germany and the danger of another world war.
Macfie argued that international wars were most likely to begin when an economic recovery was well under way or had mounted the slopes and reached a prosperous tableland. A quick study of the outbreak of twelve international wars in the period from 1850 to 1914 suggested this pattern, but what did the pattern signify? Macfie thought that wars tended to break out at those times when the economic mood was bumptious and when 'hope is alight and obstacles are impatiently confronted'. That mood, he suggested, provides the heat to 'germinate the seeds of war no matter when they are sown'. Macfie's knowledge of economic fluctuations persuaded him that in Europe the danger point would appear again in about two years. 'If these considerations are accepted', he argued, 'we may well pray that statesmen may be granted an access of wisdom between now and 1941. The prayer was not answered.
The tendency for economic activity to move regularly from slackness to boom and from boom to slackness – the depressed years being marked by a scarcity of jobs and falling profits – was first experienced by England and the advanced industrial countries. Variously called the trade cycle or the business cycle, it reflected the spread of an intricate web of interdependence between nations and between producers within each nation; economic specialization was turning much of the world into a 'global village' long before aircraft, radio and television made the web conspicuous. Thus a fall in the demand for Manchester-made textiles was felt in the cotton fields of the Carolinas, the terraces of Liverpool, and in many corners of the globe.
In glimpsing a link between the business cycle and war, Macfie pointed to something that could not neatly be applied to wars before 1800. He did not comment on this dilemma; he humbly disowned any intention of setting up his plate as a historian and merely passed on his observations in the hope that they might 'prove grist to some historian's mill'. Although the eighteenth century had ups and downs in economic activity, and although the famous Swedish historian Eli Heckschser thought his homeland had a weak semblance of the business cycle as early as 1763, those oscillations presumably did not move with the regularity and the capitalist clockwork that merit the name of 'business cycles'. Wind, ice and rain – and their effects on the harvests – were probably the main pendulum of these earlier fluctuations. The ups and downs of economic activity were probably more influential on war decisions after the Napoleonic wars, partly because the prevailing economic mood was more likely to be shared by many nations, and partly because the oscillations between economic pessimism and optimism tended to become sharper.
Macfie's link is, at first sight, open to some doubt even in his chosen period of 1850-1914. He realised that economists could argue that he had mistaken the causes of war with the preparations for war. It could be argued that the rising prosperity which preceded wars was merely the effect of re-arming and preparing for war. This may have been partly true of the prosperity that preceded some wars but seems untrue of the majority. It is therefore difficult to reject Professor Macfie's observation that economic conditions affected the outbreak of wars.
Changes in economic moods and conditions affect not only bankers, shopkeepers, manufacturers and shipowners, farmers and all they employ: they also affect monarchs, first ministers and chiefs of staff of the armed forces. They affect the revenue and expenditure of governments and they affect the problems which they have to face. They affect social unrest or cohesion. And perhaps most important they subtly affect expectations of what the coming months will be like and whether they can be shaped with ease.'
When trade is deteriorating and when unemployment is increasing the mood of governments tends to be cautious or apprehensive. Dwindling revenue and soaring claims for the state's aid aggravate the mood. On the other hand, when prosperity is high – and this is the time most dangerous to peace – there comes a sense of mastery of the environment. Indeed the economic moods closely parallel those mental moods which psychiatrists study. Such words as 'depression' and 'mania' are common to the vocabulary of those who chart fluctuations in the market places as well as mental asylums. When a contemporary psychiatrist, David Stafford-Clark, describes the emotional conditions of elation, which virtually everyone experiences at times, he is describing a mood which all economists have observed:

> when the sense of well-being and confidence not only exceeds all degree of appropriateness to the patient's life, but begins to colour and cloud judgement and responsibility to a point at which the capacity to adjust to reality and manage affairs becomes impaired, then it consistutes a condition of illness no matter how little the patient may complain.

More than a trace of this illness is visible in business booms and even in the recurring moods of nations. The eve of the Crimean, Franco-Prussian, Boer and many other wars was tinged with this mania.
One cannot say that economic events alone shape these oscillating moods. Admittedly economic events - partly because they are easily measurable - have been studied so intensely that they can for practical purposes be explained mainly in terms of other economic happenings. But economic behaviour cannot be isolated from the totality of behaviour. Economists have built a deep reservoir of knowledge of how man behaves in economic affairs, but the mental conditions which influence that behaviour are not known so well.

↓ Blainey '88 continues ↓

Trade → War

↓ Blainey '88 continues ↓

IV
Macfie's observations, made in the month when Hitler personally took over the Ministry of War, caused no wider ripple than a leaf falling on flat water. Observations that come from a factual study of many wars have always been rare, but his rare offering was neglected. He could have been writing from Kabul rather than Glasgow, so little notice was taken of his words. Professor Macfie was careful to offer only a tentative explanation. 'Final judgment,' he wrote, 'is the task of historians.' To my knowledge only one member of the many disciplines studying the causes of war has offered any judgement or comment on Macfie's observations. During a public lecture in London in 1948 a prominent historian, Sir George Clark, briefly outlined Macfie's ideas. He assured his listeners that the historians who had contributed most to an understanding of war had not traced economic trends but rather had 'minutely dissected treaties and dispatches'. This was not surprising, for the historians of treaties outnumbered the historians of trends by one thousand to one. Sir George courteously chided Macfie for preaching certain heresies; in fact Macfie had gone out of his way to disown the ideas which were now mistakenly pinned to him. Sir George Clark's lecture was published in hard covers in 1958, amidst renewed applause.
It seems that Sir George Clark thought that Macfie was laying claim to a continent. Instead he was merely placing his flag on one little island and was careful not to wade into the surrounding surf. Macfie's whole argument rested on one brilliant observation, and he viewed it as a useful clue, not as the essential cause of war. He realised that an upswing in the economy or the bumptious mood of boom were not sufficient to cause a war. He knew of those periods when the economic mood from the Danube to the North Sea was confident, but the confidence was not accompanied by a war.
One can applaud the restraint with which Professor Macfie set out his argument. In one area it perhaps should have been even more restrained. His view 'that wars do not break out in times of business stagnation or increasing depression' is suspect. As Macfie's survey began in 185o and ended in 1914, he did not notice that some earlier and later wars began during adverse economic conditions. Four short international wars were fought in Europe in 1848 and 1849, hungry years. Japan briefly fought the Chinese in Manchuria in 1931 during the deepest trough in the long history of the business cycle. And there might have been other wars - especially colonial wars - which began during economic conditions that did not match Macfie's prescription.
It would be artless to expect all wars to break out during prosperous or improving conditions. Economic moods were only one of the factors influencing decisions for war or peace, and they were not always the most influential. Wars could break out in adverse economic conditions if other factors were pushing strongly towards war. In the background to the four wars of the depressed years of 1848 and 1849 lay familiar portents of war: internal strife, the death of a king or his authority, and the waterbird dilemma. Thus the Danish-Prussian war of 1848 followed the death of the Danish king, the humiliating of the Prussian king by rebellion in Berlin, and internal unrest in the south of Denmark. Likewise revolutions in Vienna and in the Austrian province of north Italy in 1848 emboldened Sardinia to attack the Austrian empire which seemed to be on the verge of ruin. And the war in Hungary was both a cause and effect of the erosion of authority in the multi-racial Austrian empire.
Even in these short wars one can possibly glimpse the restraining hand of adverse economic conditions. The ultimate victors were markedly cautious in their approach to war. In June 1848 the government in Vienna ordered its 82-year-old field-marshal, Radetzky, to seek an armistice from Sardinia but he defied his orders and fought on. Similarly in 193s, in the trough of the world depression, the Japanese army which attacked the Chinese in Manchuria was not carrying out instructions from the government in Tokyo. And when in 1849 a Russian army had filed across the mountains into Hungary to put down a rebellion which if triumphant could have spread east to Russia and north to Russian Poland, the Russians were not on an expedition of plunder and annexation. When the Hungarian rebels had been crushed the Russian soldiers – unlike their descendants in 1956 – went home. War was not impossible in times of adversity or of waning economic confidence: it was less likely to occur, and if it did occur was likely to be short. Macfie's forgotten observation may help to explain the optimism with which so many wars were begun. It offers an additional reason for rejecting scapegoat theories: if depressed nations were reluctant to initiate foreign wars, we would also expect the strife-torn nations to initiate few wars. Macfie's observation offers an additional reason for suspecting the dogmas, beloved of many economists, that economic pressures and ills were the main stirrers of wars. By his test those theories flounder. Above all, Macfie's observation seems to fit neatly into the jigsaw of war and peace.

Trade → War

Global trading system requires extended deterrence. This increases risk of major war, and collapses U.S. heg

Layne, Professor at Naval Postgraduate School '97
[Christopher, Professor at Naval Postgraduate School, *International Security*, pages 86-124]

There is a tight linkage – too often neglected by many international relations theorists – between security and economic interdependence. I call this the "security/interdependence" nexus. To preserve an international environment conducive to economic interdependence, the United States must engage in an extended deterrence strategy that undertakes to defend its allies' vital interests by protecting them from hostile powers, threats emanating in the periphery, and each other. The need to rely on extended deterrence to maintain the conditions in which interdependence can take root leads inexorably to strategic overextension. The United States must extend deterrence to secure interdependence against threats emanating in both the core and the periphery, and the synergy between credibility concerns and threat inflation causes the United States to expand the scope of its security commitments. Economic interdependence therefore brings with it an increase risk of war and a decrease in America's relative power.

Trade → War

Economic Interdependence increases likelihood of War

Copeland, Professor of Politics, Virginia, '96

[Dale C. Copeland, Recipient of numerous awards, including MacArthur and Mellon Fellowships and a post-doctoral fellowship at the Center for Science and International Affairs, Harvard University, PhD from U. of Chicago, "Economic Interdependence and War: A Theory of Trade Expectations," *International Security*, Vol. 20, no.4 (Spring 1996)]

Realists turn the liberal argument on its head, arguing that economic interdependence not only fails to promote peace, but in fact heightens the likelihood of war.(8) States concerned about security will dislike dependence, since it means that crucial imported goods could be cut off during a crisis. This problem is particularly acute for imports like oil and raw materials; while they may be only a small percentage of the total import bill, without them most modern economies would collapse. Consequently, states dependent on others for vital goods have an increased incentive to go to war to assure themselves of continued access of supply.

Neorealist Kenneth Waltz puts the argument as follows: actors within a domestic polity have little reason to fear the dependence that goes with specialization. The anarchic structure of international politics, however, makes states worry about their vulnerability, thus compelling them "to control what they depend on or to lessen the extent of their dependency." For Waltz, it is this "simple thought" that explains, among other things, "their imperial thrusts to widen the scope of their control."(9) For John Mearsheimer, nations that "depend on others for critical economic supplies will fear cutoff or blackmail in time of crisis or war." Consequently, "they may try to extend political control to the source of supply, giving rise to conflict with the source or with its other customers." Interdependence, therefore, "will probably lead to greater security competition."(10)

This modern realist understanding of economic interdependence and war finds its roots in mercantilist writings dating from the seventeenth century. Mercantilists saw states as locked in a competition for relative power and for the wealth that underpins that power.(11) For mercantilists, imperial expansion - the acquisition of colonies - is driven by the state's need to secure greater control over sources of supply and markets for its goods, and to build relative power in the process. By allowing the metropole and the colonies to specialize in production and trade of complementary products (particularly manufactured goods for raw materials), while ensuring political control over the process, colonies "opened up the possibility of providing a system of supply within a self-contained empire."(12)

In this, we see the underpinning for the neorealist view that interdependence leads to war. Mercantilist imperialism represents a reaction to a state's dependence; states reduce their fears of external specialization by increasing internal specialization within a now larger political realm. The imperial state as it expands thus acquires more and more of the characteristics of Waltz's domestic polity, with its hierarchy of specialized functions secure from the unpredictable policies of others.

In sum, realists seek to emphasize one main point: political concerns driven by anarchy must be injected into the liberal calculus. Since states must be primarily concerned with security and therefore with control over resources and markets, one must discount the liberal optimism that great trading partners will always continue to be great trading partners simply because both states benefit absolutely. Accordingly, a state vulnerable to another's policies because of dependence will tend to use force to overcome that vulnerability.

Blainey's Qualifications

Blainey's book is the most cited on the causes of war

Stantchev '01

[Branislav L. Slantchev, "REVIEW: The Causes of War by Geoffrey Blainey, 1988, 3rd edition" July 3, http://www.gotterdammerung.org/books/reviews/c/causes-of-war.html download date: 2-6-08]

This is perhaps one of the most frequently cited book in the scholarly literature on the causes of war, with authors either using Blainey's arguments in support of their own theses or arguing against them. The author's main contention is that ``[w]ars usually begin when two nations disagree on their relative strength, and wars usually cease when the fighting nations agree on their relative strength. Agreement or disagreement emerges from the shuffling of the same set of factors. Thus each factor is capable of promoting war or peace... When nations prepare to fight one another, they have contradictory expectations of the likely duration and outcome of war. When those predictions, however, cease to be contradictory, the war is almost certain to end" (pp. 293-4).

Trade ≠ Peace

Trade Expansion does NOT prevent War – World War I proves

McDonald and Sweeney '07

[Patrick J. McDonald, assistant professor in the department of government at the University of Texas at Austin, and Kevin Sweeney works for the United States Department of Defense, "The Achilles' Heel of Liberal IR Theory? Globalization and Conflict in the Pre–World War I Era," World Politics 59.3 (2007) 370-403
http://muse.jhu.edu/journals/world_politics/v059/59.3mcdonald.html
download date: 2-6-08]

Despite a growing body of evidence supporting claims that democracy, expanding commercial ties, and membership in international organizations all reduce military conflict between states, the liberal peace research program still faces an important historical challenge. While it has become fashionable to characterize the current world order as one of extensive globalization and suggest that peace should follow, an earlier period dating from the middle of the nineteenth century until 1914 stands out as the Achilles' heel of liberal international relations theory. Then, as now, the world economy was marked by dramatic integration in goods, capital, and labor markets. For example, British and French exports grew by respective factors of thirty-five and twenty-five between 1820 and 1913. French, German, and American exports all expanded over 30 percent in the three years before 1914. British capital exports were nearly nine percent of the gross domestic product (gdp) in 1911—a ratio unmatched even in the current wave of globalization. If expanding economic ties bind states together in a commercial web that either makes war unthinkable or simply raises its costs to unacceptable levels, then why did this earlier era of globalization fail to prevent one of the defining conflicts of modern history—the outbreak of World War I?

Trade ≠ Peace

Past Fifty years prove Trade does NOT prevent War – recent history is on our side

Yee '99

[Tan Yan Yee, Major, Singapore Army, Attended the Royal Military College in Duntroon, Australia from 1987-1988. He graduated from the London School of Economics and Political Science with a B.Sc. (Econs) degree in 1992. An infantry officer by vocation, he attended the Singapore Command and Staff College in 1998, "Democratisation, Interdependence, and the Prospects for Future War," *Journal of the Singapore Armed Forces*, Volume 25, Number 1, January-March 1999, http://www.mindef.gov.sg/safti/pointer/back/journals/1999/Vol25_1/7.htm download date: 2-6-07]

International trade has enjoyed robust growth in the five decades since the end of WWII. The international economy is as integrated as it has ever been, with the economic situation in one country often affecting the outlook for other countries, as events in the recent financial turmoil has shown. International institutions and organisations have also become permanent features of the international society. In recent years, globalisation has further heightened the level of interdependence between states, so much so that the present trend towards ever-greater interdependence is probably irreversible. At the same time, the costs of war have also been proportionately rising with the development of increasingly sophisticated and destructive weapons and munitions.
If the liberals are correct, then we should certainly see a reduced propensity for conflict among states. Yet the numerous conflicts over the last 50 years does not point to that conclusion.

Trade ≠ Peace

More evidence on World War I….

Yee '99

[Tan Yan Yee, Major, Singapore Army, Attended the Royal Military College in Duntroon, Australia from 1987-1988. He graduated from the London School of Economics and Political Science with a B.Sc. (Econs) degree in 1992. An infantry officer by vocation, he attended the Singapore Command and Staff College in 1998, "Democratisation, Interdependence, and the Prospects for Future War," *Journal of the Singapore Armed Forces*, Volume 25, Number 1, January-March, http://www.mindef.gov.sg/safti/pointer/back/journals/1999/Vol25_1/7.htm download date: 2-6-07]

The main problem with both approaches is that they consider the future only within their own ideological pre-suppositions, instead of formulating a dynamic perspective of how a state will incorporate its future environment into the choice between war and peace. For example, a high level of interdependence can be peace-inducing if states expect future trade levels to remain high. On the other hand, if a highly dependent state expects future trade to be low due to the policy considerations of the other state, war may then be seen as the more viable option.
Events leading up to the two World Wars amply illustrates the weaknesses of both theories. Prior to WWI, the European powers had reached unprecedented levels of trade, but this did not prevent the outbreak of war. Some liberals have sought to explain this by arguing that political leaders then did not understand how beneficial interdependence was, and how costly war would be. This is plausible, as it is likely that few statesmen or even military leaders then did not believe that the war would be over relatively quickly. However, it remains that greater interdependence failed disastrously to prevent the political crisis that led to WWI.

Trade → Disease Spread

A. More trade increases disease spread

Zwerdling '01

[Daniel Zwerdling, NPR, "Globalization and Changes in Patterns of Disease Infection," March 17, http://www.npr.org/programs/atc/features/2001/mar/010309.disease.html download date: 2-6-08]

More travel, more trade — globalization certainly has its benefits. But it has its victims too, and the results can be deadly. As the global economy knits countries closer together, it becomes easier for diseases to spread through states, over borders and across oceans — and to do serious damage to vulnerable human and animal populations. American RadioWorks and NPR News present a series on this lethal side effect of globalization.

B. Disease outbreak can cause human extinction in 60 days

Burke, Professor of International health, Johns Hopkins, '05

[Donald S., "Avian Influenza Is a Threat To Our Collective Security," November 3, 2005 http://www.jhsph.edu/publichealthnews/articles/2005/burke_wsj1132005.html download date: 2-6-08]

How fast will it move? Different epidemic diseases have different chain-reaction kinetics. In the SARS epidemic, each infected person on average infected three others, with an infection-to-infection generation time of about 10 days. Each index case multiplied into three new second-generation infections at day 10, nine third-generation infections at day 20, and 27 fourth-generation infections by day 30, etc.

By comparison, typical influenza has a reproductive number of two infections per infection. But it has a very fast generation time of three days, so that after 30 days one flu case multiplies into 1,024. Influenza is a very rapidly transmitting disease. Preliminary data on bird-to-human H5N1 cases suggests that illness began about two to four days after exposure to the infected bird. If human-to-human chains do begin, avian influenza will move very quickly. In most U.S. cities, the great 1918 influenza epidemic began, peaked and wreaked its devastation in less than 60 days. Today, with rapid global transportation, the entire global pandemic -- after the initial burst -- will flash and be done in less than three months. We should take no false comfort in the relative ease with which SARS was contained.

How severe will it be? Because virulence and transmissibility may be delinked -- viruses that cause substantial illness or death can be poorly transmissible, and vice versa -- this is the least predictable feature of the threat. However, given that no humans are immune to H5N1, virtually everyone on the planet is at risk of becoming infected. The key variable will be the ratio of deaths per infected person. There is a range of possibilities: At one extreme the case fatality ratios seen in Southeast Asia could be maintained (57 deaths in 112 cases, about 50% mortality), in which case the human species might face extinction.

Trade → Disease Spread

Trade globalization increases disease spread

Juster '01

[Kenneth, Under-Secretary of Commerce for Export Administration in Department of Commerce, "Globalization, National Security and Export Controls", Remarks at the Practising Law Institute Seminar Coping with U.S. Export Controls", December 10, http://www.bxa.doc.gov/News/Archive2001/GlobalizationNScarsdaleNY.htm]

Globalization also presents increased health risks. The increased amount and frequency of international travel, as well as the shipment of agricultural goods and other products across the globe, facilitate the spread of pathogens and viruses. Diseases that once were contained in isolated areas now can spread rapidly across countries and even continents. For example, I understand that scientists in Europe were shocked by how fast the most recent outbreak of foot and mouth disease spread throughout the European Union because they did not appreciate the high volume and frequency of trade in meat products and livestock among the EU members. Not too long ago, this outbreak might have been contained in a single region of a single country. There is not a chance of that today.

Trade → Climate Change

A. Free trade leads to global warming—it is a major source of CO_2 emissions

Common Dreams '03

[Kumar Venkat, "Global Trade=Global Warming," 11 Dec, http://www.commondreams.org/views03/1211-02.htm]

Just one early impact of increasing long-distance trade is the emerging issue of "food miles." The fossil-fuel energy spent to transport food products often exceeds the energy contained in the foods themselves. To add insult to injury, transportation is a major source of carbon-dioxide emissions.

Sustain, a U.K.-based food and farming alliance, has shown that iceberg lettuce flown from Los Angeles to London requires 127 calories of fuel for every food calorie. Sustain also reports that countries often end up swapping food instead of importing critical items that cannot be produced locally. The U.K., for example, imported 126 million liters of milk and exported 270 million liters in 1997.

Researchers at Iowa State University have found that fruits and vegetables travel an average of 1,500 miles within the U.S., a 22 percent increase since 1981. When imported foods are added to the mix, the average distance from farm to the dinner table increases significantly. Studies show that a basic diet with imported ingredients can easily consume four times the fossil-fuel energy and emit four times the carbon dioxide compared to domestically produced ingredients.

Merchandise trade currently accounts for only about 20 percent of global GDP, with agriculture representing just a small part of global trade. But even at these relatively low levels of trade, the transportation sector consumes nearly 60 percent of the world's oil and produces a quarter of all energy-related carbon-dioxide emissions. Oil use by transportation has almost doubled since 1973. Transportation-related emissions are growing at about 2.5 percent annually -- faster than any other sector in the economy.

Any dramatic increase in global trade could add substantially to the world's annual carbon-dioxide emissions. Particularly problematic is the growing use of trucks and airplanes at the expense of slower and more efficient trains and ships. Technological breakthroughs for freight transport are not yet on the horizon. Improvements in fuel efficiency are possible, but studies show that they would encourage more long-distance transport due to lower operating costs and are unlikely to prevent emissions growth in the face of increasing demand.

Given the general scientific consensus that carbon-dioxide emissions will have to drop below 1990 levels within a few decades in order to stabilize the climate at the lower end of various warming scenarios, long-distance trade poses a serious challenge. If the world's future economic development depends largely on global trade, then in the absence of radically new transportation technologies, we are likely to face the ultimate conflict between the economy and the environment. If global trade in agricultural products is the only way out of poverty for hundreds of millions of rural poor in developing countries, the conflict may well turn out to have an additional tragic dimension.

The very essence of trade -- transporting goods from producers to consumers -- takes a toll on the environment. Free trade may appear to be the solution to many economic problems when social and environmental "externalities" are ignored. Global warming is only one such externality, but its sheer scale and complexity make it a litmus test for whether the emerging global economy can be sustained in the long run.

Remarkably, the World Trade Organization and the World Bank -- the two premier institutions that promote global trade -- are silent about the links between trade, transportation and climate. And there are no policies or plans in place for the enormous task of replacing the world's freight transportation infrastructure with a cleaner, low-emissions version.

Trade → Climate Change

B. Warming threatens agriculture, collapses the economy, and kills billions

Milbrath '94

[Lester W., Director of the Research Program in Environment and Society at the State University of New York at Buffalo and a professor emeritus of political science and sociology, The Futurist. Washington: May/June, Vol. 28, Iss. 3; pg. 26]

As this scenario plays out, it is improbable that the climate system will not change at all or that it will gradually change to a new pattern and settle down, as is assumed in most current economic thinking. The most-probable climate scenario is for even more chaos. Many meteorologists and climatologists already perceive the climate system as chaotic. If humans increasingly perturb that system, we could expect it to become even more chaotic. But how chaotic will it become, what kinds of chaos might we expect, and how long will it last? No one knows the answers to those questions. From chaos theory, we do suspect that systems which become extremely chaotic may collapse or shift to a new pattern—one that may or may not be stable. The climatic catastrophes of recent years do suggest one possible scenario of climate behavior. Frequent, unexpected climatic disasters may be interspersed into "normal" climate patterns. The resulting loss of life and property could reduce the human propensity to multiply and to increase economic throughput. Experiencing these losses may lead people to lose faith in the premise of continuity. This will retard economic growth despite the desperate efforts of governments to promote it. Another scenario suggests that there could be an extended period, perhaps a decade or two, when there is oscillation-type chaos in the climate system. Plants will be especially vulnerable to oscillating chaos, since they are injured or die when climate is too hot or too cold, too dry or too wet. And since plants make food for all other creatures, plant dieback would lead to severe declines in agricultural production. Farm animals and wildlife would die in large numbers. Many humans also would starve. Several years of climatic oscillation could kill billions of people. The loss of the premise of continuity would also precipitate collapse of world financial markets. That collapse would lead to sharp declines in commodity markets, world trade, factory output, retail sales, research and development, tax income for governments, and education. Such nonessential activities as tourism, travel, hotel occupancy, restaurants, entertainment, and fashion would be severely affected. Billions of unemployed people would drastically reduce their consumption, and modern society's vaunted economic system would collapse like a house of cards.

<u>Trade → Climate change</u>

More trade brings more shipping, and that increases greenhouse emissions

Vidal '08

[John, Environmental Editor, The Guardian (UK), "Shipping boom fuels rising tide of global CO2 emissions" 13th February 08 http://www.stwr.net/content/view/2688/1/ download date: 2-18-08]

Until now reducing CO2 emissions from the world's fleet of almost 90,000 large ships has not been a priority for governments or shipowners. Previously, the accepted figure for shipping emissions - drawn from information supplied by the industry - has been a maximum of 400m tonnes of CO2, or around 1.8% of global emissions.
But with today's disclosure that emissions from shipping are three times higher than previously thought, many experts will be asking why the industry has escaped the attention of governments and environmental campaigners alike.
<u>The world's burgeoning shipping fleet currently emits</u> 1.21bn tonnes a year, the draft UN report seen by the Guardian says, constituting <u>nearly 4.5% of world emissions.</u>
Whereas the aviation industry has been at the top of the climate change agenda, and is expected to be included in the EU's trading scheme, emissions from ships, which emit twice as much CO2 as planes, have gone relatively unnoticed.
In Britain ship emissions are not covered in the climate change bill which commits Britain to cutting CO2 emissions by 60% by 2050, and there is no plan to control them, beyond suggestions by ministers that they should be included in the EU's emissions trading scheme, along with aviation. Shipping has also escaped the strict EU laws that govern emissions from cars and power stations.
<u>Part of the problem, experts say, is that the industry has grown so rapidly - it now carries more than 90% of the world's trade by volume, and has tripled its tonnage carried since 1970 - and the shift of industrial production away from the US and Europe to China and south Asia has meant cargoes have to travel further.</u>
The huge expansion of cargo ships, upon which import-reliant countries such as Britain have come to depend, has also taken place largely out of sight.
Making matters worse, ships have historically sailed between national jurisdictions; out on the high seas there is little regulation on what a ship can burn, and countries are unwilling to share responsibility.
The British government, for example, has always resisted counting the industry's emissions as part of the national total, because no international method has been agreed on how the gases emitted by ships should be allocated between countries.
Crucially, <u>shipping exploits a ready supply of the world's cheapest, most polluting "bunker" fuel</u>. Marine heavy fuel oil, which is burned by all large ships, is the residue of the world's oil refineries and is so thick that when cold it can be walked on. It is 60% cheaper than cleaner oils and, according to the report, demand for it is soaring.
"Bunker fuel is just waste oil, basically what is left over after all the cleaner fuels have been extracted from crude oil. It's tar, the same as asphalt. <u>It's the cheapest and dirtiest fuel in the world</u>," said Christian Eyde Moller, chief executive officer of the Rotterdam-based DK Group, a leading shipping technology company.
"The world's shipping fleet has grown very quickly. Ships are getting bigger and bigger, and they are burning more," he added.
"Their engines are now more efficient, which means they can burn thicker fuels, so they are emitting more pollution. The industry is more efficient per container than ever, but it has been ignoring fuel consumption and its corresponding impact on the environment and health."
The prognosis for an industry set to expand over the coming decade is not good. More than 3,000 ships, many of which are designed to carry similar-sized cargoes as the Emma Maersk, are expected to be built in the next three years, according to Lloyds Register of Shipping.
<u>Together with the forecast expansion in world trade, the scientists estimate shipping emissions will grow 30%</u> to 1.45bn tonnes <u>within 12 years</u>. This would make shipping responsible for nearly 6% of global emissions by 2020.
The UN report is expected to prompt a change in priorities among the climate change experts.
Already, the figures are a cause for anxieties at the Intergovernmental Panel on Climate Change (IPCC), the world's most trusted arbiter of the scale and impact of greenhouse gases.
Last year's IPCC reports into climate change relied on estimates for emissions from shipping which, it now seems, underestimated the damage ships are causing.
"<u>This new figure significantly increases the challenge we face in terms of the likely impact [of climate change] we should expect</u> and also the effort we should put in to mitigate and adapt," said Martin Parry, a co-chairman of the IPCC's climate change impacts working group II.

Trade → Climate change

Trade via Shipping is a huge source of CO_2 and rising

Vidal '08

[John Vidal, environment editor at The Guardian (UK), "True scale of $C0_2$ emissions from shipping revealed," February 13, http://www.guardian.co.uk/environment/2008/feb/13/climatechange.pollution download date: 2-18-08]

The true scale of climate change emissions from shipping is almost three times higher than previously believed, according to a leaked UN study seen by the Guardian.

It calculates that annual emissions from the world's merchant fleet have already reached 1.12bn tonnes of CO_2, or nearly 4.5% of all global emissions of the main greenhouse gas.

The report suggests that shipping emissions - which are not taken into account by European targets for cutting global warming - will become one of the largest single sources of manmade CO_2 after cars, housing, agriculture and industry. By comparison, the aviation industry, which has been under heavy pressure to clean up, is responsible for about 650m tonnes of CO_2 emissions a year, just over half that from shipping.

Until now, the UN's Intergovernmental Panel on Climate Change has estimated shipping emissions to be a maximum 400m tonnes, but the new draft report by a group of international scientists is a more sophisticated measure, using data collected from the oil and shipping industries for the International Maritime Organisation, the UN agency tasked with monitoring pollution from ships. It not only shows emissions are much worse than feared, but warns CO_2 emissions are set to rise by a further 30% by 2020.

Contacted about the contents of the report, Dr Rajendra Pachauri, chair of the IPCC, said: "This is a clear failure of the system. The shipping industry has so far escaped publicity. It has been left out of the climate change discussion. I hope [shipping emissions] will be included in the next UN agreement. It would be a cop-out if it was not. It tells me that we have been ineffective at tackling climate change so far."

WTO & Trade BAD – Prices & Repression

WTO economics is a war in slow motion – it kills by raising prices on necessities, and by fueling violent political repression

Klein '03

[Naomi, award winning journalist and best-selling author, "Free Trade is War," *The Nation*, posted September 11, 2003 (September 29 issue), http://www.thenation.com/doc/20030929/klein download date: 2-6-08]

At trade summits, debates about privatization can seem wonkish and abstract. On the ground, they are as clear and urgent as the right to survive.
After September 11, right-wing pundits couldn't bury the globalization movement fast enough. We were gleefully informed that in times of war, no one would care about frivolous issues like water privatization. Much of the US antiwar movement fell into a related trap: Now was not the time to focus on divisive economic debates, it was time to come together to call for peace.
All this nonsense ends in Cancún this week, when thousands of activists converge to declare that the brutal economic model advanced by the **W**orld **T**rade **O**rganization is itself a form of war.
War because privatization and deregulation kill--by pushing up prices on necessities like water and medicines and pushing down prices on raw commodities like coffee, making small farms unsustainable. War because those who resist and "refuse to disappear," as the Zapatistas say, are routinely arrested, beaten and even killed. War because when this kind of low-intensity repression fails to clear the path to corporate liberation, the real wars begin.
The global antiwar protests that surprised the world on February 15 grew out of the networks built by years of globalization activism, from Indymedia to the World Social Forum. And despite attempts to keep the movements separate, their only future lies in the convergence represented by Cancún. Past movements have tried to fight wars without confronting the economic interests behind them, or to win economic justice without confronting military power. Today's activists, already experts at following the money, aren't making the same mistake.
Take Rachel Corrie. Although she is engraved in our minds as the 23-year-old in an orange jacket with the courage to face down Israeli bulldozers, Corrie had already glimpsed a larger threat looming behind the military hardware. "I think it is counterproductive to only draw attention to crisis points--the demolition of houses, shootings, overt violence," she wrote in one of her last e-mails. "So much of what happens in Rafah is related to this slow elimination of people's ability to survive.... Water, in particular, seems critical and invisible." The 1999 Battle of Seattle was Corrie's first big protest. When she arrived in Gaza, she had already trained herself not only to see the repression on the surface but to dig deeper, to search for the economic interests served by the Israeli attacks. This digging--interrupted by her murder--led Corrie to the wells in nearby settlements, which she suspected of diverting precious water from Gaza to Israeli agricultural land.
Similarly, when Washington started handing out reconstruction contracts in Iraq, veterans of the globalization debate spotted the underlying agenda in the familiar names of deregulation and privatization pushers Bechtel and Halliburton. If these guys are leading the charge, it means Iraq is being sold off, not rebuilt. Even those who opposed the war exclusively for how it was waged (without UN approval, with insufficient evidence that Iraq posed an imminent threat) now cannot help but see why it was waged: to implement the very same policies being protested in Cancún--mass privatization, unrestricted access for multinationals and drastic public-sector cutbacks. As Robert Fisk recently wrote in The Independent, Paul Bremer's uniform says it all: "a business suit and combat boots."
Occupied Iraq is being turned into a twisted laboratory for freebase free-market economics, much as Chile was for Milton Friedman's "Chicago boys" after the 1973 coup. Friedman called it "shock treatment," though, as in Iraq, it was actually armed robbery of the shellshocked.
Speaking of Chile, the Bush Administration has let it be known that if the Cancún meetings fail, it will simply barrel ahead with more bilateral free-trade deals, like the one just signed with Chile. Insignificant in economic terms, the deal's real power is as a wedge: Already, Washington is using it to bully Brazil and Argentina into supporting the Free Trade Area of the Americas or risk being left behind.
Thirty years have passed since that other September 11, when Gen. Augusto Pinochet, with the help of the CIA, brought the free market to Chile "with blood and fire," as they say in Latin America. That terror is paying dividends to this day: The left never recovered, and Chile remains the most pliant country in the region, willing to do Washington's bidding even as its neighbors reject neoliberalism at the ballot box and on the streets.
In August 1976, an article appeared in this magazine written by Orlando Letelier, former foreign affairs minister in Salvador Allende's overthrown government. Letelier was frustrated with an international community that professed horror at Pinochet's human rights abuses but supported his free-market policies, refusing to see "the brutal force required to achieve these goals. Repression for the majorities and 'economic freedom' for small privileged groups are in Chile two sides of the same coin." Less than a month later, Letelier was killed by a car bomb in Washington, DC.
The greatest enemies of terror never lose sight of the economic interests served by violence, or the violence of capitalism itself. Letelier understood that. So did Rachel Corrie. As our movements converge in Cancún, so must we.

WTO → Water Privatization BAD

WTO brings Water Privatization, this causes Water Wars

Barlow '99

[By Maude Barlow, Chairperson of IFG Committee on the Globalization of Water And National Chair, Council of Canadians, Report Summary: BLUE GOLD, THE GLOBAL WATER CRISIS AND THE COMMODIFICATION OF THE WORLD'S WATER SUPPLY, June 1999, A Special Report Produced and Published by the International Forum on Globalization (IFG) http://www.ifg.org/analysis/reports/bgsummary.htm download date: 2-18-08]

We'd like to believe there's an infinite supply of fresh water on the planet. But the assumption is tragically false. Available fresh water amounts to less than one half of one percent of all the water on Earth. The rest is sea water, or is frozen in the polar ice. Fresh water is renewable only by rainfall, at the rate of 40-50,000 cubic km per year.

Global consumption of water is doubling every 20 years, more than twice the rate of human population growth. According to the United Nations, more than one billion people on Earth already lack access to fresh drinking water. If current trends persist, by 2025 the demand for fresh water is expected to rise by 56 percent more than is currently available.

As the water crisis intensifies, governments around the world — under pressure from multinational corporations — are advocating a radical solution: the commodification and mass transport of water. Proponents of commodification, and subsequent privatization, say that such a system is the only way to distribute water to the world's thirsty. But, in fact, experience shows that selling water on the open market does not address the needs of poor, thirsty people. On the contrary, privatized water is delivered to those who can pay for it, such as wealthy cities and individuals and water intensive industries such as agriculture and high-tech. As one resident of the high desert in New Mexico observed after his community's water was diverted for use by the high-tech industry: "Water flows uphill to money."

The push to commodify water comes at a time when the social, political and economic impacts of water scarcity are rapidly becoming a destabilizing force, with water-related conflicts springing up around the globe. For example, Malaysia, which supplies about half of Singapore's water, threatened to cut off that supply in 1997 after Singapore criticized its government policies. In Africa, relations between Botswana and Namibia have been severely strained by Namibian plans to construct a pipeline to divert water from the shared Okavango River to eastern Namibia. Much has been written about the potential for water wars in the Middle East, where water resources are severely limited. The late King Hussein of Jordan once said the only thing he would go to war with Israel over was water because Israel controls Jordan's water supply.

Meanwhile, the future of one of the earth's most vital resources is being determined by those who profit from its overuse and abuse. At the annual World Economic Development Congress, which follows the annual International Monetary Fund/World Bank meeting, corporations and financial institutions met with government representatives from more than 84 countries to attend panels on such subjects as "Overcoming Obstacles to Water Investment" and "Navigating Transparency and Banking Regulation in Emerging Capital Markets." The agenda was clear: water should be treated like any other tradable good, with its use determined by market principles.

At the same time, governments are signing away their control over domestic water supplies by participating in trade treaties such as the North American Free Trade Agreement (NAFTA) and institutions such as the World Trade Organization (WTO). These agreements effectively give transnational corporations the unprecedented right to the water of signatory countries.

Already, corporations have started to sue governments in order to gain access to domestic water sources. For example, Sun Belt, a California company, is suing the government of Canada under NAFTA because British Columbia (B.C.) banned water exports several years ago. The company claims that B.C.'s law violates several NAFTA-based investor rights and therefore is claiming US$220 million in compensation for lost profits.

With the protection of these international trade agreements, companies are setting their sights on the mass transport of bulk water by diversion and by super tanker. Several companies are developing technology whereby large quantities of fresh water would be loaded into huge sealed bags and towed across the ocean for sale.

The U.S. Global Water Corporation, a Canadian company, is one of those seeking to be a major player in the water trade. It has signed an agreement with Sitka, Alaska, to export 18 billion gallons per year of glacier water to China where it will be bottled in one of that country's "free trade" zones to take advantage of cheap labor. The company brochure entices investors "to harvest the accelerating opportunity...as traditional sources of water around the world become progressively depleted and degraded."

Selling water to the highest bidder will only exacerbate the worst impacts of the world water crisis.

WTO → Water Privatization BAD

WTO pushing Water privatization

Santiago '03

[By Charles Santiago, Researcher with TNI Alternative Regionalisms Project. "A Shared Vision:The EU Water Policy and European Water Corporate Interests," Heinrich-Böll-Foundation, September 2003, http://www.tradeobservatory.org/library.cfm?refID=76389 download date: 2-18-08]

A shared vision exists between the EU and water corporations. The vision was put together in a series of private meetings and consultations between water corporations and the EC. The shared vision involves the EU developing the ideological, legal and financial infrastructure in realizing – market access in the water sectors of countries, subsidy for water corporations, political pressure on developing nations to liberalize water services as part of GATS undertaking, reclassification of environmental services in the GATS discipline and adopting a pro-privatization or private – public partnership as the efficient form of organizing water resources – in the interests of European water corporations.
The vision is to be packaged and promoted as a sustainable development effort, one that promises a development agenda for the poor. In fact, it is suggested that the GATS regime which ensures predictability for multinationals can play a critical role in realizing the Millennium Development Goal aims in providing the poor access to clean water by 2015.
The EU and European governments organize support for its water corporations in a variety of ways. The French government was crucial in lobbying for Suez and Vivendi bid for Buenos Aires privatization project. In fact the "The Embassy of France was hyperactive throughout the concession process… Every week it invited [Argentinean] political leaders to lunch attended by French ministers" In addition, The EU development aid is used to subsidies its water corporations. The EU is using the current round of the GATS negotiations to force liberalization of the water sectors of other countries for the purposes of market expansion of its corporations.
The EU and water corporations work together with the WTO to force countries to open their water services to free-market dictates. The International Consortium of Investigative Journalists (ICIJ) reveal that the EC trade officials work with European water companies RWE/Thames, Suez and Vivendi to demand for removing trade barriers with the WTO. In fact, the ICIJ reveals the contents of a 2002 letter from an EU trade official thanking EU water corporations for "their contributions towards negotiations to reduce trade barriers in water and waste water services with a view to opening these markets to European companies".
The European Commission consults water corporations on its problems and concerns in framing its GATS negotiating efforts and strategies. Specifically, the EC attempts to resolve obstacles and problems faced by its water corporations through its GATS efforts, for example in the area of market access . In this way, the EC ensures that barriers to entry in other countries are removed and thus paves the way for European water corporations to expand its market share and profitability in the water sector. Central to the EC's strategy is an effort to ensure that its water corporations concerns and investments rights are permanently protected under GATS discipline, given that its water corporations need to maintain its market leadership in the water sector and GATS undertakings are irreversible. Thus, the EC uses the GATS discipline as the basis of organizing its commercial relationship with other countries in pursuing its water corporation's interests and investment rights.
At present there is no agreed upon definition of what constitutes Environmental Services at the WTO. It is suggested that the existing definition is rather narrow and does not reflect market reality. In the present round, the EC proposed a new classification which includes, inter-alia, water for human use and wastewater management, solid waste, and protection of bio-diversity. The proposal marks a significant posturing on the part of the EC in representing the interests of its water corporations. It would bring water distribution services within the GATS rubric. The new classification would open up the drinking water sector to competition, an area that offers enormous business opportunities to European corporations.
The EU as part of the GATS Requests – Offer process has requested opening up of various sectors in 109 countries. The EU is seeking to liberalize water distribution services in 72 countries. It is scandalous, that the EC is targeting the water distribution sector of some of the world's poorest nations, including 14 out of the 41 Least Developed Countries (LDC's). Essentially, the EU is paving the way for its water corporations to acquire greater market access to countries in the South, further deregulation of services already in private hands but publicly-regulated and lucrative markets in the developed countries. This would involve countries adopting full market access, national treatment and 'more burdensome than necessary' requirements and other GATS rules.
Embracing GATS discipline would mean that countries would come under WTO legal and judicial supervision, an issue that has ramification for autonomous policy making and democratic governance in these nations. The universal access to water could be challenged under the GATS regulations. Also regulations on 'restrictions on fee-setting' would violate GATS disciplines. Here, the state will no longer be in a position to determine prices or demand socially responsible pricing systems to cater for the needs of the poor.
The EU requests targets countries in which water distribution is organized on an alternative and participatory model of water management. The Municipal Department of Water and Sanitation Services, (DMAE) in Porto Alegre, Brazil practices participatory management systems where the local community is central to the decision making in areas of pricing, planning and management and local governance participatory budgeting processes. In fact Porto Alegre participatory budgeting processes is a UN cited model in local governance. DMAE is a not for profit company and is financially independent of the municipal government.
The city of Porto Alegre has successfully improved water coverage to 99.5 percent of its citizens and reduced infant mortality to 13.8 deaths per thousand births compared to a national average of 65. The price of water in the city is one of the lowest in Brazil. Furthermore, the cities non revenue water has decreased from 50 percent in 1991 to about 34 percent in 2001. The DMAE is a good example of a municipality undertaking that is organized around transparency, accountability and public participation, a combination that has achieved efficiency and outstanding performance. The achievements of DMAE are far more impressive compared to the accomplishments of privatized water corporations.

WTO BAD: ↓ Bio-Weapons Controls

WTO Rules block Bio-Weapons Control Policies

Sunshine Project '03

["Biosafety, Biosecurity, and Bioweapons: Three Agreements on Biotechnology, Health, and the Environment, and Their Potential Contribution to Biological Weapons Control," The Sunshine Project Background Paper #11, October 2003, **http://www.sunshine-project.org/publications/bk/bk11.html** download date: 2-18-08]

A showdown looming between the US and countries that export food to it demonstrates how measures intended to limit biological threats can conflict with World Trade Organization (WTO) rules. Passed in 2002, the US Public Health Security and Bioterrorism Preparedness and Response Act of 2002 (Bioterrorism Act) mandates the US Food and Drug Administration (US FDA) to develop rules to register companies exporting food to the US, to require that notification be made to the FDA prior to export, to require new types of (tracking) records to be kept, and to enable the FDA to detain food imports suspected of posing a human or animal health threat. Detentions can be made on the basis of confidential or classified information. Failure to obey the regulations could lead to US civil and criminal penalties and a ban on future food imports to the US by a violating entity. [40]

The draft FDA regulations are being discussed in sessions of the WTO SPS and it is quite likely that the FDA's rules will run afoul of the WTO. While countries have expressed support for the principle of the US law, many also see the FDA rules as creating "unfair" trade practices that the WTO prohibits. The food focus of the regulations makes them particularly sensitive because of ongoing WTO controversies over farm subsidies that led to the collapse of its September 2003 meeting in Cancun, Mexico.

At the April 2003 session of the SPS Committee, the planned US regulations were roundly criticized by Asian, Latin American, and European countries, many of whom say that the rules appear duplicative and who question if they can distinguish between accidental and deliberate food contamination.[41] The European Commission's comments on the regulations include poking fun at the FDA's inadequate justifications for the regulations and thinly veiled threats to take the US before a WTO tribunal if the regulations proceed as presently drafted. The EU argues that the law has not been presented in the manner required by the SPS agreement (including prior performance of a risk assessment) and that the draft regulations impose unfair requirements on imports that are not imposed on domestic producers.[42] The EU and others also argue that detentions can be of a duration so long that, even if detained shipments are ultimately allowed entry (as is the case nearly 50% of the time under current US sanitary law), they may spoil or miss their market niche (e.g. nouveau wines or seasonal foods). The food industry largely agrees.[43]

However the food import conflict is resolved, the case demonstrates how WTO rules impose significant limits on the ability of WTO members to freely adopt biosecurity measures that impact trade. That is, biosecruity measures that impact saleable items, including intellectual property. And because there are no international biosecurity standards (using "biosecurity" in a typical arms control sense), regulations to protect against bioweapons that impact trade are inherently "higher" than the international norm. Hence, WTO barriers to their implementation are increased.

insert Bio-weapons impact

WTO ↓ MEA's
(Multilateral Environ Agreements)

WTO rules override Multilateral Environmental Agreements. And MEA's are key to planetary survival

May '99

[Elizabeth May, Executive Director, Sierra Club of Canada, "EXAMINING CANADA'S PRIORITY INTERESTS AT THE WTO/FTAA NEGOTIATIONS: OR, HOW NOT TO PROMOTE ENVIRONMENTAL PROTECTION," July 8th, 1999, Ottawa, http://www.sierraclub.ca/national/programs/sustainable-economy/trade-environment/wto-brief-jul99.html download date: 2-18-08]

On behalf of the Sierra Club of Canada, I wish to express our appreciation for the opening of dialogue around issues of trade and larger public policy with respect to negotiations at the WTO/FTAA.The trade liberalization agenda has moved steadily along, with decisions having huge implications for social programmes, culture, labour standards, rural survival, and the environment. Yet these negotiations have, for the most part, occurred with little public engagement. Often, the success of the negotiations hinges on keeping prospective agreements out of the public eye.
The Sierra Club of Canada participated in the non-governmental summits held simultaneously with the WTO Ministerial at Singapore as well as the Summit on the Americas in Miami in December 1994. We gathered with our colleagues, environmental activists from around the world, including from Chile, Mexico, Honduras, Costa Rica, Puerto Rico, the United States and others, all sharing the same concern. Our experience with trade and investment liberalization has not been a happy one. We have seen environmental and labour standards under assault.
The irony is that the very same governments that have committed their citizens to the terms of the General Agreement on Tariffs and Trade (GATT), globally, and to regional trade agreements, such as the Free Trade Agreement (FTA) and the North American Free Trade Agreement (NAFTA), also committed to environmental agreements for planetary survival. The largest-ever summit of world leaders met in Rio de Janeiro for the United Nations Conference on Environment and Development -- the Earth Summit -- in June, 1992. Commitments were made to protect global climate from the disastrous destabilization caused by greenhouse gases, to protect the world's genetic, species and eco-system diversity, to the increasing of global aid flows to assist the developing world, to the "precautionary principle" to ensure the protection of the health and well-being of humans and our life-support systems.
Trade and Environment: An Uneven Commitment
Seven years after Rio, those multilateral environmental agreements (MEAs) are notable for the failure of many governments to honour their commitments. (The Environmental Auditor General, Commissioner Brian Emmett has detailed the Canada's multiple failures in his most recent report to Parliament). Meanwhile, the World Trade Organization, which did not even exist at the time of Rio, has achieved an impressive record of enforcing its trade regime. The new implementing agency for the GATT, created through the long Uruguay Round of Multilateral Trade Negotiations, has been obeyed, and where failure to meet terms is suspected, trade disputes and effective, swift, and merciless trade sanctions follow.
The issues of global survival entirely dwarf the petty mercantile concerns of the free traders. Yet the free traders got all the tools to ensure compliance and the environmental agreements are left with few to advance their objectives and defend against trade and investment interests.
The imbalance between effective and forceful global trade rules and weak global environmental agreements would not be fatal if the trade issues and environmental issues stayed neatly in separate boxes. But the world is considerably more messy than that. Environmental protection leads to regulation. If corporate interests failed to thwart an environmental regulation at the domestic level, the GATT and NAFTA provide another route of attack. One man's environmental regulation is another man's non-tariff trade barrier. Environmental and public health issues are increasingly being arbitrated behind closed doors by people with zero scientific competence to examine the dispute from an environmental or public health standpoint. The result is entirely predictable. Every time an environmental or public health action has been challenged through the WTO or NAFTA, the trading regime has ruled the measure to be trade-illegal. Every time.

WTO → Ozone Layer Destruction

C. WTO overrides Montreal Protocol, which is key to international protection of the ozone layer

UNEP '00

[United Nations Environmental Program, "Environment and Trade: A Handbook," http://www.iisd.org/trade/handbook/5_10.htm download date: 2-18-08]

According to Agenda 21, international trade and environmental laws should be mutually supportive. Nowhere is this challenge greater than in the relationship between the WTO disciplines and the trade provisions of multilateral environmental agreements.

Of the 200 or so MEAs currently in existence, over 20 incorporate trade measures to achieve their goals. This means that the agreements use restraints on trade in particular substances or products, either between parties to the treaty or between parties and non-parties, or both. Although this is a relatively small number of MEAs, they are some of the most important: the 1975 Convention on International Trade in Endangered Species of Flora and Fauna (CITES), the 1987 Montreal Protocol on Substances that Deplete the Ozone Layer, the 1992 Basel Convention on the Control of Transboundary Movement of Hazardous Wastes and their Disposal, and the Cartagena Biosafety Protocol to the 1993 Convention on Biological Diversity (see Box 2-3). As well, the Convention on the Control of Persistent Organic Pollutants, currently under negotiation, will certainly contain trade measures.

Trade-restricting measures in an environmental agreement may serve either of two purposes (see the more complete discussion of this topic in section 2.4.4). First, they may control trade itself, where trade is perceived to be the source of environmental damage that the convention seeks to address. CITES, which requires import and export licences for trade in endangered species, is a good example. Another is the Rotterdam PIC Convention, which calls on parties to notify other parties before certain types of exports, and allows parties to ban some imports.

Second, trade-restricting measures play two types of enforcement roles. They provide an additional incentive to join and adhere to the MEA by barring non-parties from trading in restricted goods with parties. If you are not a party to the Basel Convention, for example, you cannot ship waste to or import waste from any of the parties. And these measures help ensure the MEA's effectiveness, again by restricting trade with non-parties. This prevents "leakage," where non-parties simply increase production of the restricted good and ship it to the parties that have restricted their own production. <u>The Montreal Protocol</u>, for example, <u>bans trade with non-parties in ozone-depleting substances and products containing them, a provision that many observers agree was crucial to the wide international support the Protocol has achieved. It is difficult to see these kinds of enforcement roles being filled without trade measures.</u>

<u>The problem is that such measures may conflict with WTO rules</u>. Chapter 3 described the obligations of WTO members to observe the most-favoured nation and national-treatment principles, as well as provisions on eliminating quantitative restrictions (Articles I, III and XI). An agreement that says parties can use trade restrictions against some countries (non-parties) but not against others (parties) may violate all three articles. It discriminates between otherwise "like" products based on their country of origin, it imposes quantitative restrictions, and it may treat imported goods differently from "like" domestic goods.

Such trade-restricting measures might be used in two ways. First, a party could use them against another party (for example, the prior informed consent system of the Rotterdam Convention is used just among parties to the Convention). Most analysts argue that this is not a problem, since both countries have voluntarily agreed to be bound by the MEA's rules, including the use of trade measures. This may be true where the trade measures in question are spelled out in the agreement, but problems may arise where the agreement just spells out objectives, and leaves it to the parties to make domestic laws to achieve them. Parties to the Kyoto Protocol, for example, may fulfill their obligations (spelled out in the Protocol) to lower greenhouse gas emissions by any number of trade-restrictive measures (not spelled out). <u>Although WTO members have expressed hope that disputes between parties might be settled within the MEAs themselves, a party complaining about the use of such non-specific trade measures would almost certainly choose to take its case to the WTO.</u>

Second, <u>a party could use trade measures against a non-party, where both are WTO members</u>. Here, the non-party has not voluntarily agreed to be subjected to the MEA's trade measures. As with party-to-party measures the trade-restricting party may be violating the non-party's rights under WTO rules, but here <u>the non-party might take the matter to the WTO even if the measures are spelled out specifically in the MEA</u>. To date no WTO or GATT dispute of this type has arisen. <u>The spectre of a potential conflict, however, has generated considerable concern in the environment and trade communities.</u> As well as threatening the integrity of existing MEAs, the potential for conflict with WTO rules is a near deal-breaking concern in new MEA negotiations, as demonstrated by the difficulties in drafting the Biosafety Protocol, the Kyoto Protocol and the Rotterdam Convention.

*** INSERT OZONE IMPACT***

WTO → Ozone Layer Destruction

Montreal Protocol successfully restoring the ozone layer

Science Daily '07
["NASA Keeps Eye On Ozone Layer Amid Montreal Protocol's Success," September 18, 2007, http://www.sciencedaily.com/releases/2007/09/070913181730.htm download date: 2-18-08]

NASA scientists will join researchers from around the world to celebrate the 20th anniversary of the Montreal Protocol, an international treaty designed to reduce the hole in Earth's protective ozone layer.
The United Nations Environment Program will host the meeting from Sept. 23-26 in Athens, Greece. NASA scientists study climate change and research the timing of the recovery of the ozone layer.
"The Montreal Protocol has been a resounding success," said Richard Stolarski, a speaker at the symposium from NASA's Goddard Space Flight Center, Greenbelt, Md. "The effect can be seen in the leveling off of chlorine compounds in the atmosphere and the beginning of their decline."
Since the Montreal Protocol was signed on Sept. 16, 1987, more than 100 nations have agreed to limit the production and release of compounds, notably human-produced chlorofluorocarbons, known as CFCs. CFCs and a list of other compounds are known to degrade the layer of ozone in the stratosphere that shields life from the sun's ultraviolet radiation. That process gives rise to the ozone hole above Antarctica.
Today, space-based instruments aboard NASA's Aura satellite monitor the chemical make-up of the atmosphere and collect data that will help researchers better understand ozone chemistry through computer models. While the data show that average chlorine levels are beginning to decline, springtime ozone depletion in the polar regions continues to be a prominent atmospheric feature.

WTO → Climate Change

WTO increases climate change – it blocks renewable energy spread, and expands dirty transport

Menotti '08

[Victor Menotti, Program director at the International Forum on Globalization. "TRADE, CLIMATE, AND BALI," 02 January 2008, http://www.focusweb.org/trade-climate-and-bali.html?Itemid=156 download date: 2-18-08]

The world's economic policymakers are addressing climate change with an unprecedented level of engagement at the Bali conference. While the negotiations for a new global climate accord to replace the Kyoto Protocol wrap up in Nusa Dua, numerous trade ministers are meeting to initiate an informal dialogue on climate, as are finance ministers.
Trade and finance officials are getting involved because cutting emissions in time to avoid catastrophe will inevitably have an impact on the global economy. It also means that global economic institutions must adapt to today's ecological realities. If climate change is indeed the global emergency we believe it to be, then climate protection must become a new lens through which we view the rules of trade and finance. Re-prioritized values must guide global governance to recognize ecological limits and to agree on equitable ways to live within them.
Trade ministers aim to discuss in Bali how trade policy can contribute to climate protection. Several proposals have been informally tabled for discussion.
EMPOWERING POLICYMAKERS
A critical question in Bali is whether any proposals ultimately empower trade policymakers or climate policymakers. At a time when governments urgently need to intervene in markets by sending clear signals that shift the decisions of energy investors and consumers, the idea of reducing the rights of government through binding trade disciplines is, at best, unhelpful, and, at worst, antithetical to the new directions we need to explore. Even proponents of more trade liberalization, such as the US Trade Representative and the World Bank, in their reports on trade and climate admit that the most important factor for shifting energy investment, production, and technology transfer toward a new carbonless economy is government action to internalize carbon costs.
No decisions or positions taken in Bali should foreclose any policy options for climate protection. The most important contribution trade policy can make to climate protection is to not only safeguard but actively increase the policy space that climate negotiators need to act urgently. Trade Ministers could also declare that whatever is agreed to at the Bali climate change conference will not be subject to challenge at the World Trade Organization.
ENVIRONMENTAL GOODS AND SERVICES
The United States and European Union proposed in Geneva on the eve of this meeting a two-tiered scheme to eliminate barriers on goods and services, starting with import tariffs on the trade in technology that reduces greenhouse gases. The proposal is based on the World Bank's recently released report arguing how trade liberalization can contribute not to protecting our climate but to increasing trade in energy technologies, specifically clean-coal, wind, solar, and energy-efficient lighting.
While the transfer of clean energy technologies certainly needs to be accelerated, reducing marginal tariffs is a disappointing and possibly dangerous idea for our climate. Nations are free to lower tariffs by their own will, so there's no need to force liberalization and bind nations to zero tariffs. Efforts to combine climate and job creation policies may also be set back if tariffs are eliminated in these infant industries. Other areas of trade policy could facilitate transfer of clean energy technology.
The only outcome claimed by the World Bank study is the huge gains in trade volumes, from 3.6% to 63.6%. Amazingly, even though trade in cargo is fueled by one of the dirtiest of all energy sources (bunker fuel), not one proponent seems to ask about the inherently increasing carbon footprint that will result from shipping around the planet more of the goods on the proposed list of 50 types of turbines, towers, tanks, tubes, and other goods. The Bali conference could easily undertake a climate assessment of any trade liberalization proposal, with a view to the principal of first do no damage to climate.

Timeframe for Doha/WTO

No Doha deal until 2009 or later.

Lynn '07

[Jonathan, "Timeframe for WTO deal slipping further", Kuwait Times, December 12, 2007 http://www.kuwaittimes.net/read_news.php?newsid=MTEwNTQ0Mzg5NQ== download date: 2-5-08]

Agriculture is the key to the negotiations. Falconer has a consensus on export competition, but the big issues of tariff and subsidy cuts, and exceptions to them, remain open. Negotiators say a deal on industrial goods could be wrapped up quickly, but poor nations say they are holding off on committing to opening up their markets for manufactures until they know what they will get from rich countries in farming. Meanwhile the chairman of talks on services such as telecoms and banking is delaying producing his text until the papers on agriculture and industry are available. Crunching the consumption numbers and subsequent discussions are likely to take another two or three weeks, diplomats said. That would create an opportunity to give the talks new momentum at the World Economic Forum in Davos, an annual gathering of policy makers and business leaders in late January, where in previous years ministers have met on the sidelines.

But there may be too many unresolved issues at that point next year to make a meeting of ministers worthwhile, and countries not invited to Davos may resent decisions taken there. "Davos is being referred to by some as a landmark that should be avoided, so the revisions would come out after that," said a senior trade official. The revised texts in agriculture and industry will provide the outlines of a deal, setting out the formulae that will be used to produce cuts in tariffs and subsidies, and the exceptions to them, known in WTO jargon as modalities.

Countries will then go into the final round of negotiations, where the entire package is looked at as a whole and gains in say farming can be traded off against concessions in industry. Many of the demands now being made are seen as tactical positioning for those final "horizontal" negotiations, as countries and groups stake out positions they can trade later. Only a few months ago the hope was this could all be rounded off by Christmas this year. Now Brazil's Amorim says he is hearing a deal is possible in June or July. And after the handshakes is when the detailed work starts - translating the formulae into thousands of tariff lines for industrial and farm goods and agreeing on opening up services. This detailed work will take 9-12 months, trade diplomats said. So if a deal is finally signed, it will be during the next US administration.

Non-Unique: WTO Doomed in Status Quo

___. WTO credibility doomed – Internet gambling dispute kills it

PR Newswire '07
["U.S. Defiance of WTO Internet Gambling Rulings Could Result in Domestic and International Repercussions," July 30, lexis]

A leading trade policy expert called for the U.S. to speedily resolve its trade agreement violation around Internet gambling with the World Trade Organization as the dispute could damage the WTO's credibility and force the U.S. to pay billions in compensation. The WTO's ruling in March, involving a dispute filed by the Caribbean island nations of Antigua and Barbuda, found that the U.S. unfairly prohibits foreign Internet gambling operators from accessing the U.S. market, while allowing domestic companies to legally accept online bets. The United States Trade Representative announced in May that the U.S. would withdraw its commitments to the WTO to open its markets to offshore-based internet gambling operators.
The U.S. "response, and again I use that word loosely, is unprecedented in dispute settlement history," according to Sallie James, policy analyst at the Cato Institute's Center for Trade Policy Studies. James spoke at a recent Cato Institute Policy Forum in Washington, D.C., about America's high-stakes response to the WTO Internet gambling dispute.
Withdrawing commitments from the WTO would be unique in the organization's history and would also be extremely damaging to its credibility. These actions by the U.S. are an affront to other WTO members and could damage the WTO, James stated. Currently, the European Union (representing 27 member states), India, Japan, Australia, Canada, Costa Rica, Macao, and CARICOM (representing 15 Caribbean nations) are also seeking compensation from the U.S. for economic injury resulting from this trade agreement violation. If the U.S. continues to violate WTO obligations, it could be subject to pay Antigua and Barbuda the $3.4 billion dollars that they demand and tens of billions of dollars to other countries.

Non-Unique: WTO Doomed in Status Quo

___. Agriculture dead-lock kills WTO credibility

Sampson '07

[Gary, "The trick of trade," BRW (Australia), April 5, lexis]

As the number of countries that operate under the World Trade Organisation's (WTO) rules continue to grow, so do the number of regional trade agreements. The WTO has 150 members, while there are over 250 regional agreements in place. There are concerns that the WTO's credibility will come under threat if the Dohar Development Agenda is not completed. Developing nations, angered by the refusal of the US and the European Union to open up their markets, particularly in agriculture, may decide that they no longer wish to "play by the rules"

Doha Round NOT key to WTO

No internal link: Doha Round collapse does NOT kill entire WTO

European Report '07
["TRADE : FACING UP TO NEW REALITIES," March 19, 2007, Lexis]

Conventional wisdom states that if the Round is not completed, World Trade Organisation (WTO) members will have missed a major opportunity to reform existing rules. That is true. The reputations of key players, notably WTO Director-General Pascal Lamy and EU Trade Commissioner Peter Mandelson, who are among the most energetic proponents of the Round, would certainly be dented. There is no doubt a cloud would also settle over the WTO itself.

But in time, this would be seen as a setback, not a disaster. "If the Round did not exist, it is very doubtful that anyone would try to invent it now," suggests one diplomat. The lesson would be drawn that major international negotiations involving 150 countries on a wide range of subjects are no longer feasible. Diametrically opposed interests, groups of countries and complex trade-offs lead to deadlock. As a result, another negotiating Round on this scale is highly unlikely.

Instead, the future is likely to see negotiations on specific issues. These would involve fewer WTO members. Another possibility is that elements of the Round which could be salvaged would be rescued individually. These could include trade facilitation measures, which would speed up transit times and reduce official corruption to the benefit of both developed and developing countries.

The collapse of the Round would have an obvious impact on morale at the WTO's headquarters. But the failure of ambitious multilateral negotiations should not affect the Geneva-based organisation's position as one of the few functioning elements of the multilateral economic system nor its role as international trade referee.

Doha Round NOT key to WTO & Trade

Doha Rounds failure does NOT cause massive trade collapse or protectionism. Trade will continue.

Hall '06

[Kevin G. Hall of McClatchy Newspapers, The News & Observer (Raleigh, NC), July 31, "Doha collapse," Lexis]

Each successive world trade negotiation has grown more complex. Economic historians note that during the past four decades, there's been a gap of a decade to 13 years between most new global agreements. The most recent successful negotiation, called the Uruguay Round, concluded in 1994. Twelve years have elapsed since then, prompting concern about a lack of consensus on expanding free trade.
"What most economists wouldn't want to see is a backslide into protectionism like in the 1930s ... when the global trading system collapsed," said Kris Mitchener, an economic historian at California's Santa Clara University. "Part of the fear (today) is that there's been good momentum since 1948."
Rules already agreed to by the 149 WTO members make a severe backslide improbable. But even free trade's most ardent supporters are concerned.
"There's no way the system will roll back," said Jagdish Bhagwati, a Columbia University economist, free trade supporter and author of the popular book "In Defense of Globalization." But, he said, "moving forward is really the issue."
Some experts believe trade may have reached a turning point.
"I think we might be seeing the high-water mark of the WTO," said Gary Hufbauer, a trade expert at the Institute of International Economics in Washington.
Hufbauer anticipates a shift in emphasis rather than a slide back into old-style protectionism. Preferential trade will trump free trade. Instead of global talks to create rules that apply to all, countries will seek bilateral and regional trade agreements, such as the North American Free Trade Agreement, which are mutually beneficial to their members but don't apply to the rest of the world.
"That will be the dominant game for the next decade or longer, perhaps even if we get what the trade ministers call a successful Doha round," Hufbauer said.
That could work against some U.S. exporters and favor others. An agreement between the European Union and Brazil, say, could mean a disadvantage for U.S. exporters of farm equipment to Latin America or U.S. exporters of soybeans to Europe. Similarly, a deal between the United States and Asian economies could hurt the Europeans and Brazilians.
The net result could be trade promiscuity, where the field is not level. Economic relations between countries could grow more complex and uncertain. Nationalistic friction over trade in the 1930s helped lead to World War II.
Offering a real-world example, Hufbauer pointed to U.S. tax law. Currently, companies can take deductions for software purchases, independent of where the software was developed. But there's no world trade rule that could prevent Washington from granting that deduction for software developed in the United States only.
And India could easily retaliate in a tit-for-tat trade war. "That's just one example of the kind of thing that is not now covered by the WTO," Hufbauer said. "It's those areas where I would expect protectionism," more than in an established free-trade industry.
The suspension of the Doha talks comes against the backdrop of a global backlash against free trade and, more generally, globalization. U.S. politicians, concerned about a yawning trade deficit, have threatened to retaliate against China; several member nations of the European Union voted last year to reject an EU constitution that envisioned further expansion of EU membership; and Latin American nations rejected the creation of a hemisphere-wide Free Trade Area of the Americas.
Absent an unlikely compromise in the next few months that revives the Doha negotiations, international trade may grow more complicated. But it won't be held back, predicted Donald Mackay, a former Canadian trade negotiator who's now an analyst with Canada's Center for Trade Policy and Law.
"Wal-Mart is China's eighth-largest trading partner. (Apple Computer CEO) Steve Jobs is going to keep pumping out those terrific little iPods. ... International transportation is becoming increasingly more efficient," and all those things "are going to ensure that trade is going to increase at phenomenal levels," Mackay said.

No Impact to WTO Collapse

Formal WTO institutions irrelevant to trade & war. History proves leaders making decisions and diplomacy matter more.

Copeland, Professor of Politics, Virginia, '96

[Dale C. Copeland, Recipient of numerous awards, including MacArthur and Mellon Fellowships and a post-doctoral fellowship at the Center for Science and International Affairs, Harvard University, PhD from U. of Chicago, "Economic Interdependence and War: A Theory of Trade Expectations," *International Security*, Vol. 20, no.4 (Spring 1996)]

Yet trade expectations between great powers are usually improved without formal institutions being involved, simply as the result of smart bilateral diplomacy. Nixon and Kissinger achieved just that when they negotiated the 1972 trade treaty with the Soviets. Conversely, trade expectations can be shattered by poor bilateral diplomacy even within the context of an overarching international regime. American trade sanctions against China or Japan tomorrow, for example, might produce profound political-military tension, even under the new WTO framework. The existence of formal institutions, therefore, does not do away with the need for intelligent great power foreign policy between individual great powers.

U.S. will not pursue more trade
Uniqueness or Link Arguments

No More Trade Deals – U.S. will not pursue, and most countries oppose

Nation News 2-21-08

[Nation News (of Barbados), "Is global free trade in retreat?" Published on: 2/21/08. http://www.nationnews.com/291047290356262.php download date: 2-21-08]

THERE IS LITTLE DOUBT the global emphasis has shifted from globalisation of trade to climate change. Consequently, the Doha Round is somewhat comatose, and a number of academic studies have reportedly found that it will increase inequities between rich and poor, both among countries and within countries.

The looming threat of economic recession in the United States, which in turn threatens the global economy, is also turning popular opinion against trade. Some however still say that a Doha deal could be an insurance policy against the current economic turbulence.

But public opinion and many politicians all over the world disagree. They are raising serious questions about the benefits of free trade, and many blame free trade and deregulated capital flows directly for the problems.

A poll recently released by the BBC World Service found that in 22 of 34 countries a majority of people felt that "economic globalisation, including trade and investment" was growing too quickly. And 64 per cent in the 34 countries felt the economic benefits and burdens of globalisation were not fairly distributed.

Progress on World Trade Organisation negotiations is hindered by the weakness of President George Bush's administration, which has lost fast-track negotiating authority and is at historically low popularity levels in polls.

In addition, the United States Congress has no appetite for trade deals in the face of a pending economic recession and presidential candidates are cagey about trade; although a weak dollar should help exports.

U.S. will not pursue more trade
Uniqueness or Link Arguments

Opposition high in Congress and public will block new trade deals

Saint Louis Post-Dispatch 2-17-08

[By Anthony Faiola of the WASHINGTON POST, "Americans turning tepid on trade," February 17 2008, http://www.stltoday.com/stltoday/business/stories.nsf/story/23CE2C705D6B13E1862573F1000CB06C?OpenDocument download date: 2-19-08]

As President George W. Bush's administration races to push new free-trade agreements with Colombia, Panama and South Korea through Congress before leaving town next year, it is meeting a level of resistance observers call high even by the typically contentious standards of such debates.

It happens as the Bush administration is confronting the most-hostile domestic environment toward free trade in years.

Recent polls suggest more Americans than ever before view globalization as negative, blaming free trade for the loss of millions of manufacturing jobs that have moved abroad.

As the economy falters, populist pundits of the Lou Dobbsian school are blaming reckless trade deals. In a hotly contested election year, Democratic candidates are jockeying for the labor vote, questioning the wisdom of accords such as the North American Free Trade Agreement, or NAFTA.

Anti-globalization sentiments at home are nothing new. Think back to Ross Perot's "giant sucking sound," or the rock-throwing protesters at the World Trade Organization meeting in Seattle in 1999.

But observers say the stalled Colombia, Panama and South Korea deals are raising a fundamental question for the United States. At a time when faith in free trade is failing in various corners of the world, particularly Latin America, is Washington still a true believer?

In the post-World War II period, free trade emerged as America's economic mantra, Uncle Sam's recipe for developing nations seeking to fight poverty and integrate globally. But even as economists are grumbling about resurgent resistance to open markets by emerging economies including India and Brazil,perhaps the most notable shift is happening inside the United States.

"It's very alarming," said Commerce Secretary Carlos Gutierrez. "This is the very time for us not to have second thoughts or convey a lack of confidence infree trade to the world."

WTO does NOT increase Free Trade

WTO does NOT increase trade, Collapse would not boost protectionism

Rose, Professor of International Business, Cal-Berkeley, '04

[Andrew K., also NBER Research Associate in the Program on International Trade and Investment, "Macroeconomic Determinants of International Trade,"NBER Reporter: Research Summary, Fall 2004, NBER = National Bureau of Economic Research, http://www.nber.org/reporter/fall04/rose.html#N_1_ download date: 2-18-08]

One interesting gap in the literature concerns the role of the World Trade Organization (WTO) and its predecessor the General Agreement on Tariffs and Trade (GATT). The success (or lack thereof) of IMF and World Bank programs has been studied a great deal by researchers both inside and outside the beltway. But there has been essentially no comparable research on the effects of the WTO. This is odd but perhaps understandable. Economists like free trade, and accordingly the institution in charge of freeing trade is by far the most popular and least controversial of the Bretton Woods trinity (IMF, World Bank, and GATT/WTO). Still, some evaluation of an important institution like the WTO is better than none. This is especially true since the WTO has lately (if unfairly) acquired a notorious reputation as a result of disastrous meetings in Seattle and Cancun.

In a 2002 paper, I examine the performance of the GATT/WTO in terms of its own mandate of trade promotion.(8) At any point in time, there are countries both inside and outside the system; similarly, many countries that began outside the system subsequently have acceded. Thus, there is both time-series and cross-sectional variation available to estimate the effect of membership on trade. Using a gravity approach and aggregate data, I find that countries that are formal members of the GATT/WTO seem to engage in amounts of trade that are similar to those of countries outside the system. Accession to the system seems to raise trade, but by an amount that is economically small compared with intuition, the effects of regional trade agreements, and the hype surrounding WTO negotiations. But extensive robustness checks left few signs that members of the GATT/WTO had substantially higher trade than outsiders.

This negative result seems hard to believe initially; after all, one of the most well-known facts in international economics is that trade consistently grows faster than income. That might be the result of dropping transportation costs. Still, it seems hard to believe that the multilateral trade system is irrelevant, especially the GATT-sponsored eight successful "rounds" of multilateral trade negotiations.

Then again, perhaps not. "Most Favored Nation" status might seem like the great prize of GATT/WTO membership. But it turns out that MFN status typically is given away freely to most countries outside the GATT.(9) Further, many believe that the GATT historically made few demands on most countries in terms of trade liberalization, since most entrants to the system were developing countries eligible for special and differential treatment (a synonym for most "special and differential treatment" is "protectionism"). That is, many developing countries joined the GATT without substantial changes in their trade policies.

I pursue this idea in another paper.(10) In particular, I use almost 70 quantitative measures of trade policy -- all that I could find in the literature -- to ask whether membership inside the GATT/WTO system is associated with less protectionism. The answer is a deafening silence; there is essentially no substantive evidence that WTO members have systematically lower or less widespread tariffs, non-tariff barriers, and so forth. Membership in the WTO seems to have few privileges in the form of higher trade, but it comes with few responsibilities in terms of more liberal trade policy.

The WTO is an institution that was designed by its creators to be toothless; it cannot use sticks since it does not hold any carrots (such as conditional IMF loans). And perhaps the WTO is not even interested in higher trade, only greater trade stability. I also investigate the hypothesis that membership in the system makes trade more predictable.(11) Unfortunately for the WTO, both bilateral and multilateral evidence reveals few consistent signs that membership in the GATT/WTO reduces the volatility of trade flows.

WTO does NOT increase Free Trade

WTO irrelevant -- Trade Liberalization can and does occur without it

Irwin, Professor of Economics, Dartmouth, 2K

[Douglas A. Irwin, Advisor, CATO Center for Trade Policy Studies, Editor of World Trade Review. Ph.D. in Economics from Columbia. "DO WE NEED THE WTO?" Cato Journal, Vol. 19, No. 3, Winter, http://cato.org/pubs/journal/cj19n3/cj19n3-2.pdf download date: 2-18-08]

First, the WTO is a forum for the pursuit of trade liberalization, but it is not the only method of achieving that goal. Despite the historical difficulties of unilateral trade policy in the U.S. context, unilateral trade liberalization operating outside of the WTO is not only extremely important, but in many ways stronger and deeper when it is achieved outside the WTO. As Brink Lindsey mentions in his article, countries such as New Zealand, Chile, Mexico, and others have pursued trade policy reforms such as tariff reductions outside of multilateral trade negotiations. Such liberalization is based on a domestic political consensus about their national economic interest in such liberalization regardless of policies pursued abroad. The motivation is not reciprocity but an acceptance of the efficiency benefits that will accompany such liberalization.

Even in the United States, when public policy toward certain sectors is not viewed as falling under the rubric of ''trade policy'' (i.e., any non-U.S. Trade Representative or Commerce Department issue), deregulation effectively amounts to unilateral trade liberalization. When the United States deregulates the telecommunications industry, or changes its policy toward financial services, it generally does not discriminate against foreign firms. Those sectors are open to international competition regardless of the illiberal policies pursued in other countries. The benefits that arise from such unilateral U.S. actions have a positive demonstrative effect on the policies of other countries, just as there was a negative demonstrative effect in the 1930s. The dramatic price reductions and vast opportunities created by telecom deregulation have proved so compelling that other countries have been induced to follow the U.S. example. The United States was far ahead of the rest of the world in deregulation, and much would have been lost if the United States waited for other countries to agree to an international agreement on such matters. When global negotiations delay the enactment of inherently desirable liberalization by making it contingent on an international consensus, the value of those negotiations is brought into question (see Barfield and Irwin 1997).

WTO ↓ Free Trade

Collapse of WTO would be good for trade. WTO is filled with tariffs, rules, and government control

Rockwell, President, Mises Institute, '03

[Llewellyn H. Rockwell, Jr., President, The Ludwig von Mises Institute in Auburn, Alabama, "Confusion and Clarity in Cancun," September 18, 2003, **http://www.lewrockwell.com/rockwell/cancun.html** download date: 2-16-08]

The breakdown of trade talks in Cancun, Mexico, has been rendered as a clash of rich vs. poor nations. If that's all you knew, you might think that this is a conventional story, and the usual political drama would follow. The left would side with the poor on grounds that they are being exploited by the rich in a cruel system of capitalist global domination. The right would observe that the poor nations, rather than joining the global trading system, are content to demand aid and privileges that rich nations are reluctant to surrender for good reason.

But looking beneath the surface, we find a crazy mixed-up politics at work in Cancun, the culmination of counter-intuitive trends that have been building for some time. The World Trade Organization is supposed to be this great apparatus to push the world toward greater economic integration, a dream of the liberal school for many centuries. In reality, it was nothing but the resurrection of an old central-planning fallacy that world trade needs a central authority to manage it. In absence of an ideological consensus in favor of classical liberalism, the WTO has ended up politicizing trade by putting the stamp of officialdom on some very bad policies (just as many predicted).

The rich nations (meaning, mainly, the US) swaggered into Cancun with an aggressive, three-pronged agenda: to foist a stricter system of investment rules (including patent and copyright enforcement) on developing nations, to extend US-style environmental and labor regulations to cover poorer nations, and to reduce restrictions on exports to poor nations and foreign investment in them from the industrialized world. What was missing here was the good will to make a change in their own protectionist policies, much less to reduce the production supports for their own inefficient industries.

Trade was certainly on the agenda, but free trade as traditionally understood was nowhere in the mix. From the beginning the WTO was based on the idea that spiffy industrialized nations need to find markets for their products among the sad-sack nations of the world – not that the poor nations might have something to sell that consumers in rich nations might want to buy. That's why "intellectual property rights" (coercive monopolies for particular producers in rich countries) was high on the agenda but real-life free trade in agricultural goods was off the table completely.

Nor are the rich nations a monolith. US officials naturally assume that they have the right to exercise hegemonic control over the world economy, an assumption which makes EU finance ministers (embroiled in their own harmonization controversies) very wary indeed. This follows several years of unrelieved protectionist regulation by the US against anyone anywhere who would dare build a better mousetrap than is produced in the land of the free and the brave (which just so happens to be host to the largest, best-armed, most well-funded government in the history of the world).

Meanwhile, poor nations arrived in Cancun with a history of bad experiences at world trade conferences. The last time around, finance ministers from rich nations made some perfunctory promises to address the agricultural question, but moved on to preach to poor nations that they had better shape up and start regulating their economies more heavily. In particular, they were told that they need to crack down on alleged copyright and patent abuses in their countries, raise wages so that their workers can't "unfairly" compete with those from industrialized nations, and start enforcing stricter environmental laws. This is a composite agenda cobbled together by the main labor, environmental, and business interests that are so influential in US politics.

Now, the problem here is obvious to anyone who knows basic economics. The comparative advantage that poor nations have in attracting investment and producing their own goods for exports is precisely their unregulated labor and environmental regimes. Given that their object is to become more competitive, not less, it would make no sense to legislate higher wages that would only drive out capital and lead to more unemployment. If they stand a chance for development, tighter regulations on production are not the answer. What they need instead is an open marketplace in which to compete using their comparative advantage.

In the past, the anti-WTO protestors have claimed to be standing with the poor nations of the world against capitalist globalization, but the reality is much more complicated. By resisting the trend to "upwardly harmonize" regulations, poor nations of the world have stood firmly with the free-trade tradition. What they were arguing for, in reality, is not less globalization in general but less political globalization in order to make possible more economic globalization. The two forces are at odds with each other.

Having been burned too many times in the past, this time, poor nations arrived at the talks with a set of demands of their own. If the rich countries are going to preach about "free trade," they'd best start living up to it themselves. That rich countries export highly subsidized farm products to the third world, to sell at prices cheaper than these countries can produce, is notable enough. But to then turn around and refuse to accept imports of low-priced goods on grounds that this constitutes "dumping," is adding injury to insult. In demanding more open markets and fewer subsidies, poor countries arrived with something approximating a traditional free-trade agenda.

At the talks, each side tried to change the subject as much as possible until it became obvious that there was little point in talking. The legal and regulatory reforms that the US demanded were never seriously considered. The idea of cuts in subsidies and tariffs was ruled out completely. Indeed, the Bush administration is moving in the opposite direction, toward the dangerous idea of national sufficiency that Pat Buchanan promotes, even though it is a sure prescription for economic depression. Of course the whole scene was punctuated by hysterical protests from the throngs of activists that the WTO attracts like flies to a picnic.

Then there was the dramatic suicide of the South Korean farmer, done not in support of free trade but in protest of the demise of the South Korean farming industry. When will the world learn that there are better ways than stabbing yourself – or stabbing consumers – to achieve economic aims, namely, making a good product that is in demand and attempting to sell it at a good price?

As for the leftists who railed against globalization, they are right to have an inchoate sense that the WTO is up to no good. Beyond that, there is no agreement. If they are in solidarity with the poor nations of the world, does that mean they favor cutting agricultural subsidies in industrialized nations? That would mean job losses of course, and further hardship for their beloved "family farms." You can't stand with both the poor and oppressed agricultural workers in the US and the poor and oppressed agricultural workers in the third world; ultimately they are competition with each other, and should be. This reality underscores why Manichean frameworks are not very useful for understanding economics, which involves the study of trade offs.

What's more, the left can't simultaneously endorse the full panoply of phony and expensive "rights" in the charter of the International Labor Organization and link arms with the workers of the third world. The bottom line is that if the US labor unions get their way, the workers and peasants in the third world would find themselves without jobs and even more destitute than they already are. The same goes for foreign investment, which, contrary to the left, is a boon for all poor nations. As for environmental regulations, the developing world needs them as it needs more foreign debt.

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As for the business lobby, it needs to worry less about forcing foreign governments to enforce their copyrights and think more about how to compete in an increasingly competitive world. It ought to spend at least as much time and energy reducing barriers to imports as it does pushing for the elimination of barriers to exports. In short, they need to stop acting so much like mercantilists and act more like entrepreneurs.

Terence Corcoran of the National Post is right: "The idea that trade should be based increasingly on 'rules' and bureaucratic structures rather than free markets is now so entrenched that few people remember what the free trade agenda is all about." The irony is that the WTO bears much of the blame, though there is plenty to go around. Somehow world trade proceeded apace for the entire history of civilization without this outfit serving as a sounding board for fanatics, protectionists, and would-be global regulators. When so many free traders supported the WTO's creation, were they being naïve or were they being paid off? Regardless, the WTO is no friend of free trade (as Jagdish Bhagwhati, and even the NBER, have recently concluded).

Everyone says that the collapse in Cancun could mean the end of multilateral trade negotiations for the duration. For the cause of free trade, there could be a downside to this, especially if it means that the US will treat the issue of world trade with as much political finesse as it managed the Iraq situation.

But the upside is even more obvious. It means a setback in the movement to upwardly harmonize regulations. It means a setback for global government generally. It is all to the good if it means that businesses around the world work on striking up their own deals instead of relying on governments, and the organizations that governments create, to do it for them.

As a side benefit, it is now exposed for all to see, and possibly for the first time in our generation, that industrialized nations now represent the greatest threat to free trade. As Nagasaki University's Dipak Basu explains: "High tariff against the exports of industrial goods from the poor countries cover 63 per cent of all export items of the poor countries. High tariff rates against the exports of agricultural products from the poor countries constitute 97.7 per cent of all agricultural export items of the poor countries. That is not all. Tariff rates escalate along with the amount of processing of a natural product."

Given this, what is needed is not another round of negotiations. Let every nation, right now, do what is best for all citizens of the world: eliminate every form of intervention that would prevent or otherwise hobble mutually beneficial trade between any two parties anywhere in the world.

<u>WTO ↓ Free Trade</u>

WTO decreases trade – it allows governments and activists to block free trade

Rockwell, President, Mises Institute, '99

[Llewellyn H. Rockwell, Jr., President, The Ludwig von Mises Institute in Auburn, Alabama, Originally published as "Kill the WTO" at WorldNetDaily.com, November 30, 1999, article now titled: "Disband the WTO" http://www.tysknews.com/Depts/New_World_Order/disband_the_wto.htm download date: 2-13-08]

Consumers and taxpayers, the world's most exploited and forgotten classes, have no lobbying force at this week's circus-like meeting of the World Trade Organization in Seattle. They are not among the assembled government officials, nor among the grasping non-government organizations, nor among those protesting this magnet for would-be global planners.

And yet it is the world's consumers and taxpayers who pay the biggest price for the managed-trade and protectionist politics cooked up at the WTO. The costs far surpass the millions spent on the WTO's lavish suites, limos, feasts, champagne and meetings; they also include the brow-beating, regulations, tariffs, quotas, anti-dumping policies, export subsidies, litigation, and all the other interventions that hamper free trade in the name of protecting it.

To understand the WTO requires this counter-intuitive insight: it favors free trade in name only. Strip away the rhetoric, and the WTO is like all bureaucracies, mainly concerned with expanding its own power and jurisdiction. Like all governments, it is relentlessly imperialistic. And like all international agencies, it lives extravagantly and unaccountably at everyone else's expense.

On one hand are the assembled governments. They are bickering for control of the WTO's formidable powers to negotiate trade disputes and impose sanctions. The big three -- Europe, Asia, the U.S. -- battle over the appointment of judges who can rig the rules to favor their own manufacturers against overseas competitors. The only good sense comes from the developing countries, who resent the attempt to impose labor regulations that would take away their comparative advantage.

On the other hand, we have the demonstrators with their placards and their chants. Beloved by the media, they are a motley collection of wooly-headed environmentalists, '60s leftovers who oppose all economic development, thuggish labor union officials, whining advocates for the rights of "children" and "women," and economically ignorant opponents of international trade itself.

They are only posturing as protestors, however, since they are demanding that the WTO do what the Clinton administration would have it do if it faced no resistance: enforce a left-liberal vision of the world by executive fiat at consumer and taxpayer expense. The WTO incorporates legal mechanisms for regulating the world economy exactly in this way. Even the WTO's original charter included a tip-of-the-hat to these special-interest concerns.

The demonstrators are correct that the mucky-mucks doing the negotiating are not looking after the interests of the little guy; it is the large corporations and the powerful pressure groups that pique their interest. The negotiating trade ministers are correct that the protestors are imbeciles who would destroy the world economy if they had their way. Hence, they reach a compromise, with each side giving a bit to the other side, as the world economy grows ever more ridden with every form of hidden protectionism.

The entire affair makes you long for the days of GATT, which only four years ago served as an inconspicuous legal apparatus for trade negotiations. It wasn't perfect, and wasn't even necessary, but it was a heck of a lot better than the politicized and bureaucratized approach of the WTO.

In previous centuries, trade among nations worked without the intervention of a legally-christened arbiter. Governments sometimes imposed heavy restrictions on imports and exports, but disputes were generally handled by the parties to the exchange themselves. Merchant law regulated contracts, while trust, reputation, and consumer sovereignty were the guiding forces that kept everyone honest.

It was the great insight of the British classical liberals that trade did not need to be managed either domestically or internationally. Consumers and producers, regardless of the country they lived in, were perfectly capable of negotiating their own deals, whereas tariffs and other trade barriers only ended up harming everyone in the long run. Accordingly, <u>the classical liberals sought to eliminate all restrictions on trade</u>, and opposed every manner of government management.

True <u>free traders have always favored this system as an ideal</u>. Only the pure laissez-faire approach works to the betterment of all. Global free markets means that a poor man in Bangladesh can support his family, that a farmer in Idaho can have the tractor he wants, that an industrialist in Toronto can get the parts he needs, that American consumers can fulfill their desires for themselves and their children, that the whole world can be civilized.

<u>But governments don't like this system because it leaves them out of the picture</u>. Since early in this century, <u>they have tried to establish an international structure to manage it</u>. In order to protect free trade from rapacious planners, free traders stopped Woodrow Wilson's plan to establish an International Trade Tribunal after World War I. And they defeated Harry Truman's scheme to impose an International Trade Organization as the third leg of the Keynesian-inspired Bretton Woods system, along with the World Bank and the International Monetary Fund.

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The ITT and the ITO were reincarnated by the Clinton administration as the WTO in 1995 as part of the Uruguay Round of GATT trade talks. It faced an uphill battle in the Senate, and it goes without saying that most Americans either had no opinion on the matter, or opposed it as they oppose anything that smacks of the New World Order. The WTO was ratified because the payoffs to the Senate were high enough, and, even more crucially, Washington's free traders lacked the intellectual stamina to see this pact as the threat it was and is.

World trade is sometimes said to be freer than ever, but this is not true. The world economy is larger and more integrated than ever, and to this reality we owe a great deal of our present prosperity. At the same time, world trade has never been more politicized. Never before have union bosses, greens, and loopy social reformers been able, so successfully, to use international trade for political agitation. Never before have protectionist governments -- the U.S. a main player among them -- had such access to litigation and intervention. Never before has a developing capitalist economy like China been forced to crawl before a cartel of governments just to gain admittance to the world trading system.

Because it was destined to become a battleground for pressure groups, the WTO should have been stopped in 1995 when there was a chance to kill it. Now its abolition will be an uphill climb. But the fight is still essential. And when and if we win it, we will know that the interests of consumers have prevailed.