



Cooperation, anarchy and interdependence

The World Trade Organisation

William Brown

For our purposes today we might usefully distinguish between a rather more sceptical view of the World Trade Organisation and a view which presents a rather more sanguine view of that organisation. Jef, can I begin with you and ask you to outline what the sceptical view of the WTO is?

Jef Huysmans

On the one hand the WTO is an international organisation in which states are to be treated equally, in principle, but of course, it doesn't work like that in practice. In practice it's easy to see the WTO as a club of the powerful. Going back to the organisation that went before it, from out of which it emerged, the General Agreement on Tariffs and Trade which started working in 1948, that was before actually many of the current countries were independent sovereign states. Now the central states in the WTO are the most rich states who do deals behind doors etc., etc. which raises a big question about, why are the weak states part of the WTO. Well one of the reasons for this could be there is a cost of staying out. When the WTO and before that the General Agreement on Tariffs and Trade was up and working it made sense to be part of it because it was a powerful organisation in terms of organising free trade in the world. So that's one of the elements. The other is that, of course, big powers wield powers, explicitly or implicitly, implicitly means just by having it, so there's not necessarily much of a choice for weaker countries than to get on board and, when they are on board, to do as they are told to some extent. So in that sense it's an arena, you could say, or a forum for negotiating all kinds of trade related aspects in the world but in which not the rules of the game so much, the official formal rules of the game mattered, first and foremost, but that the most important is how much power as a state you actually have and therefore it's a club of the powerful and the rich.

William Brown

So from that point of the view the WTO is not only a creation of the powerful states, it's also an arena in which they are able to exercise their power and their will over the weaker states in the international system.

Jef Huysmans

Yes that would be a good summing up of the view.

William Brown

Okay. Now in contrast to that Simon, is a much more sanguine view of the WTO, a much more positive view and, we might say, the view that the WTO presents of itself.

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Simon Bromley

Indeed. Jef mentioned the costs of staying out but there are also the benefits of membership and the more sanguine, optimistic view of what the WTO represents would argue that, once you weigh the benefits against the costs, there are still net benefits for weaker states to be within the organisation. I think another argument that one might make is to go back to the point that Jef made about rules. Jef argued in effect that the formal rules of the WTO are not what's really going on but behind closed doors: the powerful states are cutting deals amongst themselves which they benefit from and others simply have to live with. But there is a difference, you could argue, between organisations which have formal rules and a pure situation of power bargaining. The WTO does have rules. In some instances the powerful are constrained to live by those rules and there are many examples, increasingly so one might argue, of formerly peripheral countries playing an important role in the WTO. One thinks of Brazil or China in recent developments. And a further argument I think is that, if you consider the position of the weaker countries in the system, there might be something to be said on

their part of being part of an organisation where they can act collectively vis-à-vis the more powerful states, rather than having to deal with the powerful states on a purely bi-lateral basis that may provide opportunities for coalition building which in a sense enables them to leverage their power. So I think there are a number of other aspects of the organisation which might suggest it's a slightly more cooperative venture, a venture in which many states potentially benefit than the rather gloomy scenario that Jef has painted.

William Brown

So that's a view of the organisation as a genuine example of international cooperation and indeed international governance from which states collectively benefit.

Simon Bromley

Yes indeed and the argument there would be that weaker states are in the system, or in the WTO rather, primarily on the basis of their consent rather than they've been coerced into it.