



London International Model United Nations 2012

World Trade Organisation





London International Model United Nations 2012

World Trade Organisation

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From The Committee Director's Desk

Esteemed Delegates,

Given as how I shall serve as the Committee Director for the World Trade Organisation, I find it only fitting to introduce myself, with the express intention of motivating as many of you as possible to partake in the simulation of one of the most influential committees within the United Nations. My name is Aitzaz Rehman Sheikh, and while I was born and raised in Pakistan, I moved to England in 2011 to pursue a Masters in Public Policy at King's College London.

Over the course of the last five years, I have developed nothing short of an addiction for Model United Nations Conferences. My passion, or addiction, for MUN has caused me to be incapable of passing by the opportunities to become a part of over forty conferences in various parts of the world. From being a shy and unenthusiastic delegate in 2006, I have managed to become a member of and lead over twenty Secretariats in Germany, India, the Netherlands, Pakistan, Romania and the United Kingdom. This very obsession for MUN, which is luckily shared by a significant number of people, inspired me to contribute towards the creation of the first ever MUN Society of Pakistan.

The World Trade Organisation at LIMUN 2012 will indeed present a unique experience. I can assure each of you that the simulation will truly be unparalleled. The coordination and consensus amongst the delegates represents the basic tenets of diplomacy, which is characteristic of all committees and organs of the United Nations. Accordingly, I would be delighted to extend as much assistance as necessary to all the delegates, both prior to and during LIMUN 2012, and I eagerly look forward to meeting with you all in London this February.

Aitzaz Rehman Sheikh

Committee Director, WTO



London International Model United Nations 2012

World Trade Organisation

Study Guidebook

From The Assistant Committee Directors' Desks

Honourable Delegates,

My name is Hubert Han and I have the distinct honour and pleasure of serving you as the Assistant Director of the World Trade Organisation. I am currently a first year student, reading History at the University of Oxford, where I am [obviously] involved in the MUN Society. This will be my 18th conference since my high school days, and my first in London, followed shortly by WorldMUN 2012 in Vancouver. I am very much looking forward to meeting everyone, both inside and outside of committee!

Hubert Han

Assistant Committee Director, WTO

Dear Delegates,

My name is Thomas Reinhard Barber. I am currently studying an ERASMUS Semester in Aarhus, Denmark, although my home university is the Universität der Bundeswehr Munich, where I am pursuing a Masters in International Law & Politics, after having finished my Bachelors there in 2010. The Masters is part of my training as an officer in the Federal Armed Forces Germany, Bundeswehr. I originally began participating in MUN Conferences during my first year at the Universität der Bundeswehr Munich, and have participated in numerous MUN Conferences. Currently, I am serving as the Treasurer of the MUN Society. During an internship in Uganda in 2010, I organized a small MUN conference, which was quite successful, and prompted my decision to continue to not only participate as delegate but also as chairperson. Consequently, it is a great honor for me to be one of chairpersons and I am very much looking forward to it.

Thomas Reinhard Barber

Assistant Committee Director, WTO



London International Model United Nations 2012

World Trade Organisation

Study Guidebook

Topic A: The Practicality of Multiparty Environmental Treaties

During Economic Recessions

Introduction to the Problem

The Marrakesh Agreement reads, “...in accordance with the objective of sustainable development, seeking both to protect and preserve the environment and to enhance the means for doing so in a manner consistent with their respective needs and concerns at different levels of economic development”. Given its mandate to “supervise and liberalize trade”, the World Trade Organisation is in an unrivalled position to chart a path towards Multinational Environmental Agreements while taking into account the widely diverging economic experiences of its member countries over the past three years in particular. The World Trade Organisation must address whether or not the environment deserves a prominent position even or especially in times of economic crisis, or whether the environment will be relegated to its previous position of being secondary to the economy. Should the World Trade Organisation decide on the former, it would set a precedent in terms of the importance and significance attached to the long-term survival of mankind, not just the short-term survival of the economy and of related financial institutions.

It is important to note that the World Trade Organisation seeks to move beyond the achievement of “sustainable development” or the scope of “climate change”, and aims to tackle the fundamental conflict between caring for the environment and moving forward the global economy, particular during times of economic hardship and crisis. Both developed and developing countries have been severely hit by the economic crisis since 2008, and while a consensus is not immediately expected of the committee, common ground may be sought on the nature of an Multinational Environmental Agreements, the level of commitment required from individual countries, and on technical and technological cooperation under the United Nations Framework Convention on Climate Change. The issue is broadly defined so as to provide the maximum opportunity to deliberate the practicality of balancing two conflicting – but not mutually-exclusive – goals of the international community.



London International Model United Nations 2012

World Trade Organisation

Study Guidebook

Evolution of the Topic

The United Nations Conference on Environment & Development was held in June 1992 in Rio. Possibly the most successful conference of its sort then and perhaps even up to the present day, Rio produced the Climate Change Convention which led to the Kyoto Protocol, the Rio Declaration on Environment & Development, and Agenda 21. The latter two agreements focused on sustainable development and a comprehensive blueprint for action respectively, but have failed to gain traction in domestic laws and policies. While these agreements provided an excellent basis to spring the international community into action over the environment in 1992, finding such consensus at a time when governments are financially prudent is indeed significantly more challenging, but certainly not an impossible feat.

The Doha Development Agenda, which commenced in 2001, is the first initiative that has included the environment as one of its main priorities in multiparty trade negotiations. Though the Doha Development Agenda is not working towards a multiparty environmental treaty per se, the deadlock countries are currently facing already proves that there are fundamental differences in countries' expectations over the degree and scope of trade liberalization, much less to include the environment as a consideration in their trade policies. A common concern which countries have failed to address within and beyond the Doha Development Agenda is the establishment of a universal standard for the taxation of energy and greenhouse gas emissions, and how this directly relates to adjustments in exports and imports.

The United Nations Climate Change Conference in Cancun represented the latest effort of the international community to find a breakthrough in the form of a legally binding agreement similar to the Kyoto Protocol. The outcomes included a commitment to establishing a Green Climate Fund and a Climate Technology Centre, and a vague commitment for individual countries, again divided along developed/developing lines, to cut their emissions. While a committee is due to present its findings for a renewed version of the Kyoto Protocol in Rio in November of 2012, the very composition of this committee has been called into question with



London International Model United Nations 2012

World Trade Organisation

Study Guidebook

countries in Asia and Latin American being unable to agree on its representatives. This brings into question whether or not a multiparty environmental treaty, in this case dealing with climate change exclusively, is feasible in times of economic depression. Rio+20, which includes the United Nations Conference on Sustainable Development in June 2012, is the next opportunity for countries to agree on a multiparty environment treaty. Highlighting the worsening socio-economic situation facing us currently, one of the two themes of Rio+20 is aptly titled “A Green Economy in the context of Sustainable Development and Poverty Eradication”.

Policy Options

The most common concerns in including the environment as part of a trade liberalization exercise include governments disguising or ignoring environmental standards in order to protect their domestic industries and to promote them as a cheaper alternative to foreign competition; tariffs being disguised as environmental tariffs to be used against foreign competition; the development of an eco-labelling system which would ensure universal convergence on environmental standards; the establishment of an international body to produce and monitor such a system; and the level of jurisdiction a country has over foreign-owned MNCs operating domestically. In dealing with the practicality of a multiparty environment treaty, countries will need to balance vital domestic and international considerations in their proposed resolutions. These ought to include, but not be limited to, the balance between the environment and the economy, i.e. at what point of economic depression should countries focus primarily on the economy and temporarily ignore environmental concerns, the potential of new or renewed ‘green’ industries as a means towards economic progress, and the role of regional blocs such as the ASEAN, EU, or Mercosur. Furthermore, whether a multiparty environment treaty should be a legally binding agreement, what incentives or punishments need to be put in place to ensure adherence, the importance of the environment within Trade Liberalization Agreements such as the Doha Development Agenda, and the importance of the environment in economic bailout



London International Model United Nations 2012

World Trade Organisation

Study Guidebook

packages, particularly from international organizations like the World Bank, must, at the very least, also be considered as a part of all policy recommendations.

Possible Bloc Positions

Countries are expected to fall into two distinct groups based on their development status. However, an added complication would be the degree to which the country has been affected by the current economic depression, as this classifies countries vertically rather than horizontally. Furthermore, on dispute settlement issues such as the separation of the World Trade Organisation and Multiparty Environment Agreements, countries do not follow the classification mentioned above. The United States of America, along with most non-European states, do not see a fundamental clash in interests between trade and environmental legislation and benchmarks, but some European Union states, such as Switzerland, want to clearly delineate the mandate of the World Trade Organisation in dispute settlements involving the environment. Though opposing blocs would be expected, the topic has deliberately been left open for representatives of member states to cast their nets wide – should representatives not be able to produce a Multiparty Environment Treaty over the course of the session, the establishment of certain parameters for a potential treaty would be highly favourable.

Questions A Resolution A Must Answer

- Has the country's policy response to the economic downturn included any specific clauses recognizing the continued importance of the environment? Or has the environment been completely ignored domestically in times of crisis?
- As the World Trade Organization, how can the foundations for a Multiparty Environment Treaty be laid, perhaps at Rio+20 Conference?



London International Model United Nations 2012

World Trade Organisation

Study Guidebook

- Besides climate change and greenhouse gas emissions, what other aspects of the environment, particularly those which do not divide countries along developing/developed lines, can solutions be proposed to?
- Is it right for the World Trade Organisation to peg trade liberalization to environmental requirements? If so, to what extent should the environment be incorporated into the framework being developed/proposed?

Further Reading

- <http://www.apec.org.au/docs/oxley2001.pdf>
- <http://www.worldtradelaw.net/articles/graymeawto.pdf>
- http://www.wto.org/english/docs_e/legal_e/04-wto.pdf
- http://www.wto.org/english/res_e/publications_e/rio20_e.htm
- http://www.wto.org/english/tratop_e/envir_e/envt_intro_e.htm



London International Model United Nations 2012

World Trade Organisation

Study Guidebook

Topic B: The Reduction of Obstructions to Trade & Eradication of Inequitable Trade Practices

Introduction to the Problem

The incidence of trade is on the basis of the free transfer of goods and services between the various economies and economic unions in existence in the world. The fundamental principle of International trade depends on it being determined by means of resource endowments, comparative advantages and mutually beneficial terms of trade. The determination of trade partners, according to economic theory, should be done on the basis of allocative and productive efficiency, quality of the goods and services, and the production processes used to supply the goods and services; essentially a selection process on the basis of economic superiority of the goods and services. The application of a screening process based on political, social, religious and/or ethical factors, and the imposition of any form of protectionist policies while engaging in trade is in direct contradiction to the bedrock principles upon which the World Trade Organization was founded. The foreign trade of virtually every country of the world, with the exception of the odd autarky, formulates a significant proportion of its national income, and hence, is essential for its economic growth. Despite International trade being of such great importance to economic prosperity, countries impose trade barriers upon each other and restrict trade with countries based on non-economic reasons. The World Trade Organization must seek to address and counter such policies by member states, and ensure the establishment of free and fair trade, without any existence of trade barriers, protectionist policies, and/or discriminatory behaviour.

Evolution of the Topic

The concept of trade has revolutionized greatly over the course of the economic history of the world. While the trade of goods for goods, known as barter, limited the participants greatly, and trade could only take place through a double-coincidence of wants, modern-day trade is designed to be significantly more efficient and easier to execute. The establishment of trade, however, is



London International Model United Nations 2012

World Trade Organisation

Study Guidebook

dependent upon the policies of member states, which must aim to make the economic conditions conducive for interdependence between the nations of the world. However, the use of protectionist policies such as bans, embargoes, quotas and tariffs, and the intervention by the Governments of member states in the form of subsidies, plagues the trade taking place in the world today. Not only do countries and economic unions provide subsidies to their own sectors and industries, but ensure the protection of their sectors and industries both in the domestic and the foreign markets. One of the most common examples of such a practice is the provision of generous subsidies to farmers in the European Union; these farmers gain an unfair advantage in global markets through the uncompetitive and low costs of production. The agrarian economies of the world are consequently worse off since they are unable to compete with the lower prices of the supply by European farmers.

On the other hand, the deteriorating security situation of the world has caused nations to sever economic ties with each other, in most sectors if not all, inflicting another blow to the prosperity of the global free-trade regime. It has also become increasingly common for countries to impose economic sanctions on potentially rogue member states; in the event where economic sanctions are unwarranted, countries simply impose protectionist policies to restrict the import and export of goods with the country in question. Similarly, in the case of countries accused of harbouring terrorists, exports to and imports from such countries are discouraged, causing the country's non-state actors to adversely affect the economic conditions for a country's non-violent populace.

The discriminatory behaviour of countries towards each other not only has detrimental effects on the global economies, but also gives rise to further hostilities and breakdown of diplomatic ties, if any exist in the first place. The purpose of free-trade is not just to invoke mutual gains for the parties involved, but to foster an environment of collaborated and interdependent economic activity. The use of trade barriers and the application of discriminatory methods in determining trade partners leads to an alarming reduction in economic activity. Consequently, continued



London International Model United Nations 2012

World Trade Organisation

Study Guidebook

inefficiency of economic decisions results in numerous economic problems, such as inflation and market failure, among others.

Policy Options

The World Trade Organization must seek to ensure that all forms of protectionist policies by countries actively engaging in trade are removed. The countries actively engaged in trade that attempts to protect selective sectors of their economies from foreign competition and subsequently exploit global markets in these very sectors must be dealt with even more strictly. Furthermore, the use of economic sanctions and discriminatory behaviour on the basis of a country's security and/or political situation must also be reviewed in order to determine what the circumstances to warrant such extreme measures should be. The principles of the World Trade Organization must be upheld and protected, and the countries attempting to economically manipulate weaker ones should be adequately restricted from doing so. The member states must also take notice of the nations attempting to disillusion the global populace by feigning to promote free trade while in reality seeking to gain unfair advantages through means termed illegal and/or unethical by global trade organizations. The legitimacy of the Dispute Settlement Panel must also be enhanced to ensure conformity of economic and trade practices with the charter of the World Trade Organisation.

Possible Bloc Positions

The member states may be categorized under many easily identifiable blocs, although some blocs are most likely to emerge and prevail as deliberations proceed. One bloc shall comprise of the member states with relatively stable and developed economies, seeking to establish a free-trade regime based exclusively on economic efficiency. The second bloc is expected to include countries with developing economies and a large number of infant industries, seeking a trade regime that grants their developing and newly-established industries the requisite protection to attain the capabilities of competitiveness. Additionally, the World Trade Organisation may also



London International Model United Nations 2012

World Trade Organisation

Study Guidebook

bear witness to two primary sub-blocs. The first may comprise of countries seeking to enlist the use of economic sanctions, protectionist policies and trade embargos on member states that allegedly pose a threat to the economic, political and/or social welfare of their citizens and/or the global populace at large, such as France, the Russian Federation and the United States of America, in the case of the Republic of Iran. The sub-bloc directly opposing the policy recommendations of the first shall consist of countries that have been, or currently are, direct targets of economic and trade sanctions in light of their alleged links to terrorist organizations and/or the questionable nature of their nuclear programs, such as the Democratic People's Republic of Korea, the Republic of Iran and the Syrian Arab Republic, among others.

Questions A Resolution A Must Answer

- Should member states be granted the liberty to enforce and implement policies that seek to provide short- and/or long-term protection to their infant industries?
- How can the World Trade Organisation enhance its role of monitoring and regulating the domestic trade policies within the various industries and sectors in member states to ensure the establishment of global free trade regime?
- What possible alternatives, if any, can be used in place of economic sanctions and trade restrictions in case diplomatic negotiations with high-risk member states fail?
- What forms of assistance ought to be provided to member states formerly subjected to economic sanctions and trade restrictions?

Further Reading

- <http://www.cato.org/pubs/journal/cj19n3/cj19n3-8.pdf>
- http://www.globalasia.org/V4N3_Fall_2009/Li_Wei.html
- <http://www.globalenvision.org/library/15/1211>



London International Model United Nations 2012

World Trade Organisation

Study Guidebook

- http://www.oecd.org/topic/0,3699,en_2649_34529562_1_1_1_1_34529562,00.html
- <http://www.worlddialogue.org/content.php?id=100>